

# A Proposed Model for Transforming Waqf Assets into Business Incubators for Micro-Enterprises: An Economic Feasibility Study

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## **Abstract :**

We propose a model to develop and operate underutilized waqf assets as incubators for microbusinesses located throughout Algeria. By bridging traditional waqf structures with modern entrepreneurial structures, our research illustrates that a combination of real estate and cash waqf can provide subsidized space for microbusinesses, mentorship for new entrepreneurs, and Sharia compliant financing for new ventures. In addition, our proposed model achieves the goals of maqasid al-Shariah by preserving, protecting and leveraging wealth while developing new innovative ideas to address youth unemployment. The governance structure proposed includes multiple stakeholders, including religious leaders and academic experts to provide oversight and accountability in addition to preserving the rights of the original endowments. The proposed model is also economically viable and provides a dual return on investment, both preserving the core value of waqf and creating a high level of social utility through employment opportunities. Finally, we recommend regulatory reforms to integrate waqf with Algeria's national sustainable development goals.

**Keywords:** Productive Waqf; Business Incubators; Micro-Enterprises; Economic Feasibility.

**Jel:** G23, M13, L26, Z12.

## **Introduction**

### **Overview: The significance of Waqf as a sustainable developmental tool**

The idea of wakf or an Islamic Waqf is a type of permanent endowment for the purpose of generating funds for social development. The concept of wakf provides a sustainable source of financial resources that can be utilized for education, health, and infrastructure. With the current economic crisis, there is a demand for alternative sources of financing to fund social programmes; therefore, wakf is a logical source of funding that can help finance these types of programmes.

Due to growing demographic pressures and high youth unemployment levels in Algeria, wakf provides an opportunity for the Algerian government to utilise wakf as an additional source of financing for development

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projects within Algeria. There is a diversity of wakf assets that can be used to finance a wide range of development projects, including real estate, land, and cash contributions. By shifting the purpose of wakf from a religious charitable purpose only, to a strategic developmental purpose, the relevance of wakf will be renewed and offer both the government and private sector more options for financing social development initiatives; ultimately contributing to social cohesion within Algeria.

### **Research Problem: Underutilized Waqf assets and the need for youth business incubation**

The vast potential of the Waqf Sector in Algeria has not been realised due to underdeveloped investment mechanisms and limited integration into national strategies. Waqf properties have poor maintenance and are being rented at below market value resulting in limited social and financial impact. Algeria also has an urgent requirement to create supportive environments for young entrepreneurs (especially in areas where access to financing and mentoring is low).

Business incubators are used internationally as an effective mechanism for developing early stage projects. However, the number of incubators in Algeria is relatively low in comparison to the size of the youth population. Thus, there exists a dual gap: idle Waqf assets on one side and unfulfilled demand for structured incubation environments on the other. This research study will address the dual gap by identifying how Waqf assets can be systematically transformed into incubators for small scale projects and as a means to achieve inclusive development.

### **Objectives: Analyzing investment mechanisms within the Algerian Awqaf sector**

This study aims to create a cost-effective and realistic method for converting assets of Waqf into business incubators. The study will also pursue other interrelated objectives:

- Evaluate the existing investment models in the Waqf sector in Algeria, comparing them with the current needs of enterprising entrepreneurs;
- Review the development of changes to the Waqf governance and legal structures required to support the development of incubators for micro-enterprises owned by youth as well as other entrepreneurs;
- Create a framework and business plan where the Waqf is the physical and financial provider of incubation services, while still remaining consistent with the religious and ethical principles of Waqf; and
- Evaluate the social impact of this model in terms of employment generation and sustainable long-term development.

By accomplishing the aforementioned objectives, the study seeks to create a structured pathway between heritage assets and contemporary entrepreneurial ecosystems within the context of Algeria's economy.

## **1. Conceptual and Sharia Framework**

In this part of our analysis, we review the basis of using Waqfs to enable persons to achieve Financial Independence. We will also provide definitions for each type of waqf asset, and describe how business incubators assist micro-enterprises that may not otherwise qualify for funding from banks. We will explain how each of these services relates to the purpose of Sharia.

### **I. Waqf Assets: Definitions and Types**

Historically, waqf has been defined, both by classical and recent jurists, as being "the detention of property from the ownership of the waqif and the dedication of its usufruct for charitable purposes in perpetuity." In this manner, the original corpus is preserved as the beneficiary's (or waqif's) property, but the benefits are directed at public welfare (Riani & Fatoni, 2022, p. 2). In terms of economics, waqf has developed from being solely a philanthropic tool to a strategically utilized social finance instrument that supports long-term developmental pillars of society such as education and infrastructure (Abdullah, 2018, p. 4).

Waqf assets can be broadly classified into three types:

- Real Estate Waqf - This has been the most common and accepted form of waqf. It consists of land and/or buildings and is considered productive through developing commercial or mixed-use real estate infrastructure (Sukmana, 2020, pp. 6-7).
- Movable Waqf - This includes physical assets such as appliances, vehicles, etc., as well as the emerging concept of "knowledge waqf," where the intellectual capital and research of waqf are dedicated to public use forever (Zahri et al., 2025, pp. 1-2).
- Cash Waqf - This includes cash donated either as principal to buy an asset or as pooled for an investment. Cash waqf has a high degree of liquidity and can therefore be used to fund micro-enterprises and scalable services (Syahrani & Alzahira, 2025, pp. 3-4). Most contemporary research has identified three main uses of cash waqf: using cash as a direct asset, cash used to replace an asset (istibdāl), and cash pooled by multiple parties (Ghazali & Mamat, 2023, pp. 2-4).

In all the above forms, the central theme can be summarized as Productive Waqf, which refers to managing waqf assets with the goal of making them income-generating to support the integration of philanthropy and sustainable economic development (Ardiyansyah & Kasdi, 2021, pp. 3-4).

## **II. Business Incubators: Concepts and Role in Supporting Micro-Enterprises**

Business incubators are a type of organization that allows for the growth of young companies by giving them subsidized office space, mentoring, and access to capital (Medekhel & Dadene, 2020, p. 5). Waqf is an Islamic social financing tool that helps eliminate predominantly unequal social structures and creates a fertile environment for providing public welfare services through the productive use of assets (Ardiyansyah & Kasdi, 2021, p. 3).

According to the literature, there are three types of capital that entrepreneurship funded through waqf provides: 1) tangible (physical) space, 2) financial (seed funding) and, 3) human capital (training/coaching) (Bello, 2022, pp. 10-11; Rindawati et al., 2023, pp. 3-4). For example, waqf from universities is used as funding for incubation facilities to help startup student businesses and assist the development of local businesses (Sonita et al., 2022, pp. 4-5).

To support the transfer of vulnerable groups from dependency to self-sufficiency, arrangements exist that are similar to incubators where zakāt, waqf, and ṣadaqa funds are pooled to create new sources of entrepreneurial or commercial opportunities using Sharia-compliant funding strategies (Mawadda et al., 2025, pp. 3-4). Achieving this goal depends on a synergistic approach between Islamic commercial and social finance, as well as enhanced professional management and regulatory reform (Rindawati et al., 2023, pp. 3-5). The waqf-funded incubators will address youth unemployment and financial exclusion simultaneously.

## **III. Sharia Characterization: From Waqf Benefits to Incubation Services in Light of Maqasid al-Sharia**

Converting waqf benefits into incubation services is Sharia-compliant if it maintains the original corpus and adheres to the wishes of the waqf founder. Maqāṣid al-Sharī'a (sharia objectives) provides waqf with the basis for protecting the five fundamental things: religion, life, intellect, offspring, and property (Abdullah, 2018, pp. 6–8).

There is a substantial overlap between waqf objectives and the Sustainable Development Goals (SDGs) where global awqāf could achieve urgent "Maqasid-oriented SDGs" (Abdullah, 2018, pp. 8–10). More specifically, waqf incubators fulfill the following functions:

- Protecting Wealth (Ḥifz al Māl)—providing dignified livelihoods and diversifying income streams.
- Protecting Intellect (Ḥifz al 'Aql)—fostering innovations and mentorship through educational waqf ecosystems.
- Protecting Life and Descendants (Ḥifz al Nafs/Nasl)—eliminating poverty and social exclusion through sustainable income creation.

Modern Sharia mechanisms such as *istithmār* (investment) and *istibdāl* (substituting) convey that every transformation must promote the waqf's purposes and the beneficiaries' interests (Ghazali & Mamat, 2023, pp. 4–6). As long as the incubators are non-usurious and socially-focused, conceptualising waqf assets as the base from which incubators will arise is consistent with both traditional waqf principles and modern empowerment-based interpretations.

## **2. Current State of Awqaf and Micro-Enterprises in Algeria**

This section will analyze the Waqf sector in Algeria, including a historical review of its development and the current legal context for Waqf operation. This section will identify the key regulatory and financial barriers that inhibit the mobilization of Waqf resources and identify the importance of supporting entrepreneurialism and local community development through the creation of business incubation centers, which provide resources for entrepreneurs.

### **I. The Evolution of the Waqf Sector: Legal and Regulatory Frameworks**

The Algerian waqf system has experienced considerable changes historically and legally. Through the Ottoman Empire, awqāf created a dense web of local economic and social developments, supporting educational, health, and community infrastructure (Laallam et al., 2021: 74–76). This successful institution was severely disrupted by the colonial presence of France through confiscation and destruction of waqf properties; this ultimately obliterated the positive social impact of waqf (Laallam et al., 2021: 77–79).

When Algeria became independent, the waqf sector remained relatively stagnant under a centralized state model until the introduction of an important piece of legislation—Law 91-10 (which has since been amended via Law 01-07). This law recognized waqf as an independent legal entity and provided the Ministry of Religious Affairs and Waqf the authority to reclaim and develop waqf properties (Laallam et al., 2021: 80–81). The most significant feature of Law 91-10 is the mention in Article 45 of the law about "productive waqf," meaning that any development of waqf properties would comply with Islamic shariah law (Laallam et al., 2021: 82). The establishment of the Productive Waqf Initiative led to the start of many major projects and a wide network of commercial projects in various states. (Laallam et al., 2021: 82–83).

The reforms of Law 91-10 have established a significant regulatory framework; however, the regulations are often criticized for their ambiguity and lack of clarity and structure. Conventionally, the existing waqf leasing models are characterized as providing long-term low-yield investment which deter private sector investment (Laallam et al., 2021: 83-84). In general, a comparison of the Algerian waqf model with that of other countries, specifically Malaysia and Singapore, reflects that Algeria exhibits inefficient waqf management, particularly with regard to mobilizing traditional waqf income and other resources for human capital development.

### **II. Investment Challenges: Obstacles Facing Waqf Resource Mobilization**

Algeria is currently constrained by a variety of legal, managerial and financial limitations that inhibit the mobilization of waqf resources. Waqf studies have shown that waqf currently contributes only minimally to the development of local communities and primarily consists of low yielding social activities. In addition, the Waqf currently has little or no involvement in financing small projects.

The following represent the key obstacles facing waqf resources:

- **Underutilization of Assets:** Many properties are currently rented at below market value or are unoccupied due to ongoing legal disputes and the absence of a strategic investment plan.
- **Regulatory Ambiguity:** Existing laws provide no clear guidance on the types of legal partnerships or the participation of private organizations in the waqf, resulting in a lack of clarity in regard to developing innovative and large-scale partnerships.

- **Governance and Capacity Deficiencies:** The lack of professionalism in the management of waqf by administrators (nāzir) combined with weak internal controls undermine the waqf system from growing strategically which is a common theme throughout many Muslim countries.
- **Digital Transformation Gaps:** The incomplete digital cataloguing and reliance on manual tracking systems limit performance measurement as well as effectively integrating waqf into modern development financing.
- **Limited Public Awareness:** Limited public awareness concerning modern waqf systems have resulted in limited community participation with few new waqf being established.

Due to the structural barriers listed above, waqf cannot serve as "patient capital" for innovation and job creation for youth in Algeria.

### **III. Socio-Economic Impact: The Necessity of Incubators for Local Development**

Algeria's efforts to diversify its economy and provide work for youth require a focus on entrepreneurship and developing micro-enterprises in order to increase overall local development (Ferdj, 2024, pp. 2-4). Unfortunately, all of these projects face major obstacles that include a lack of financing, management capacity, and complex regulatory requirements (Ouamer, 2024, pp. 4-6).

Business incubators have been identified as an essential part of the institutional infrastructure needed to support the growth of new companies in Algeria, with universities playing a key role in this effort. Research shows that students who participate in university-based incubators reported a significantly higher desire to become entrepreneurs and greater capacity for problem solving than students who did not participate in these activities. These types of structures will also assist with enhancing the success rate of new ventures and therefore contribute to local economic development.

Businesses can leverage unused waqf assets to address the increased demand for new ventures and develop a series of alternative sources of funding for developing and supporting business incubation throughout Algeria. Research from Integrated Carbon captures that when waqf is properly embedded within institutional mechanisms, it can be an effective way to provide ongoing financial support to small and medium enterprises and to social enterprises (Al-Khateeb & Amuda, 2024, pp. 8-10). The transformation of idle or low-yielding waqf properties into business incubators could provide subsidised workspace and Sharia-compliant capital, thus aligning religious giving as a vehicle to incorporate local communities into the economy by converting traditional forms of endowed property into functional places of business that generate employment and new ideas.

### **3. The Proposed Waqf–Incubator Model**

This portion presents a strategic model for establishing a Waqf based incubator. It defines the organizational framework of a Waqf based incubator including the criteria for selection of high-impact startups and financial instruments or tools necessary to change traditional assets into modern vehicle for development (i.e., cash Waqfs/digital tools).

#### **I. Organizational Structure: Managing the Incubator within the Waqf Institution**

In order to facilitate the establishment of a waqf-based business incubator, an organisational structure must be created so that Islamic principles can be met in conjunction with professional investment management principles-based operational systems. There is ample literature indicating that successful waqf innovation models tend to be more effective when there is clear delineation of functions among the various entities that play a role within them (e.g., governing boards; waqf managers, or nāzir; and unique operational units) (Saputra, 2025, pp. 3–5).

The proposed model would designate the incubator as a unique entity created under the direction of a Waqf–Incubator Steering Committee, which combines the expertise of stakeholders in the Ministry of Religious Affairs and Waqf; members of the local economy; Islamic scholars; and members of the academia, thus providing multiple

perspectives as to how to govern the incubator. The implementation of multi-stakeholder/cross-sector governance processes has been shown to enhance strategic alignment to national development priorities and allow for enhanced levels of transparency in how the incubator resources are used (Rusydia et al., 2025, pp. 6–8).

An Incubator Management Team (IMT) will be responsible for the daily operations of the incubator, including but not limited to the development and use of application cycles, delivery of incubator services (e.g., coaching) for each incubator’s clients, and monitoring the performance of the incubator’s clients. Successful Islamic social-finance programmes have been demonstrated to be the primary catalysts for the sustainability of micro-enterprises and that professional staffing and mentoring of micro-entrepreneur clients are critical to their success (Soemitra et al., 2022, pp. 10–12).

To ensure accountability within the incubator, the proposed model includes implementation of digital dashboards that allow for tracking of key performance indicators (KPIs) (e.g., occupancy rates; social impact metrics) critical for establishing the trust of donors and providing sustainability to the incubator through the generation of internal revenues (Syahran & Alzahira, 2025, pp. 5–7).

**Figure 1: Organizational structure of the proposed Waqf incubator model.**



**II. Selection Criteria: Standards for Choosing Start-ups with High Social and Economic Impact**

In order to best utilize limited Waqf resources, the incubator needs to use well-defined, impact-oriented selection criteria for selecting investments in new ventures. Selection procedures should favor investments that exhibit a demonstrable relationship between the identified problem and its solution, as well as measurable social benefit (Block et al., 2021, pp. 5–7).

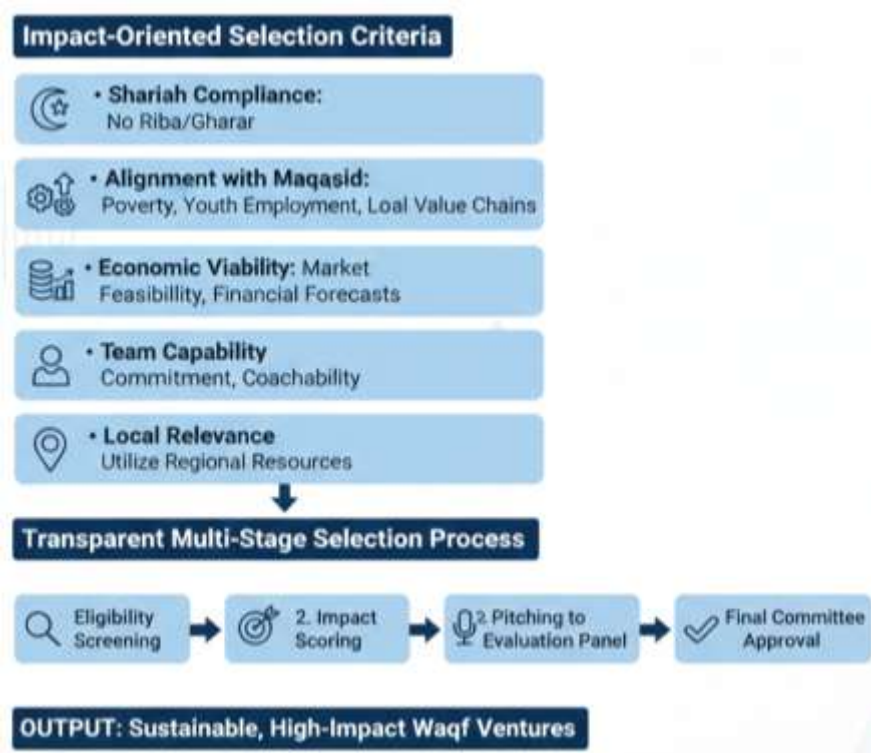
In order to adapt these principles to the waqf context, the following criteria are proposed:

- **Shariah Compliance:** Ensure that the business activity and finance contract do not contain anything from the prohibited sectors (Riba, Gharar) as this is essential to the integrity of Islamic social finance.
- **Alignment with Maqāṣid al-Sharī‘a:** Preference should be given to projects that directly affect improvement in poverty, youth employment and development of local value chains.
- **Economic Viability:** Assessing by the feasibility of the market and financial forecasts to ensure sustainability of the venture in the long-term.

- **Team Capability:** Evaluating the commitment and capabilities of entrepreneurs, as the effectiveness of mentoring is heavily reliant on a recipient's level of coachability.
- **Local Relevance:** Should give preferential consideration to a project that utilises available resources from the same geographic area, as a way to enhance the competitiveness of Algerian wilayas.

The selection process should follow an objective and transparent multi-stage rubric consisting of eligibility screening, impact scoring, pitching to an evaluation panel, and approval by a final selection committee.

**Figure 2: Selection Criteria**



### III. Financing and Operation: Leveraging Monetary Awqaf and Digital Transformation

The funding method of this model utilizes cash waqf combined with new types of Islamic finance products to create a financial engine (Syahran & Alzahira, 2025, pp. 3–5). By using cash waqf, we have an opportunity to create a scalable and flexible pool of funds to support the establishment of training centres and help create productive assets.

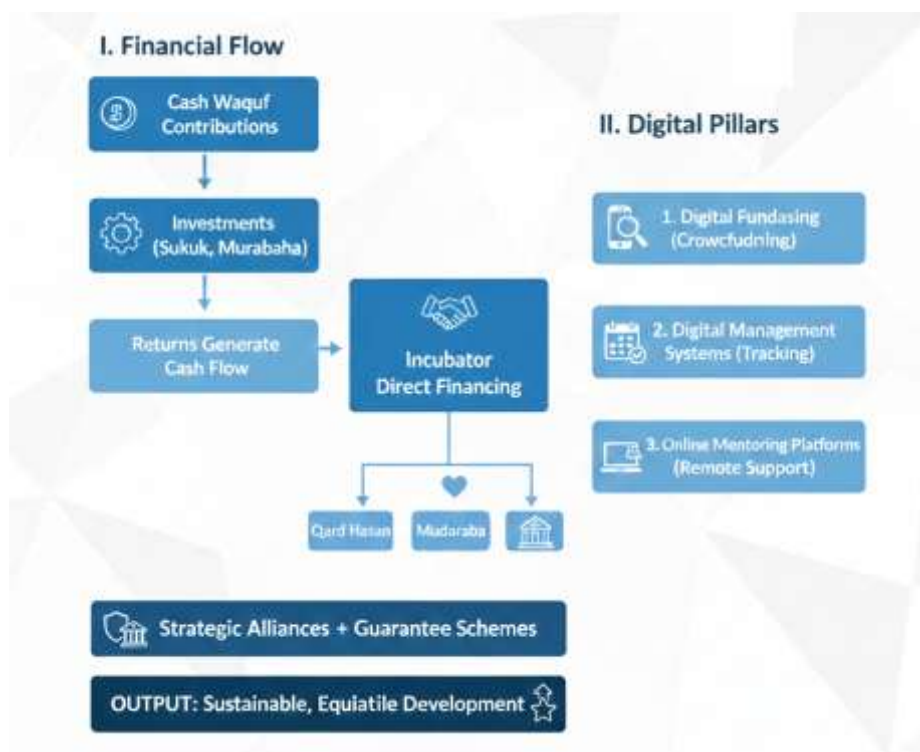
There are three levels in the proposed financial structure:

- **Capital Base:** Cash waqf contributions are invested in appropriate Sharia-compliant financial vehicles (e.g., Sukuk or Murābaha), and the return on those investments provides cash flow for the operation of incubators.
- **Direct Financing:** The incubators will provide Qard Ḥasan, Muḍāraba, and/or Ijāra to start-ups. There is evidence that the combination of low-value financing and intensive mentoring leads to a considerable increase in the performance of micro-enterprises.
- **Social Finance:** There is an integrated ecosystem that sequence the needs of start-ups by using Zakāt to provide for immediate needs, Waqf to create the physical structure, and Qard Ḥasan to create a revolving credit facility.

For the model to operate successfully, three areas of digital transformation must take place: Digital fundraising (i.e., crowdfunding) can expand the donor base; the implementation of digital management systems will allow for tracked accountability (Alshater et al., 2022, pp. 13–15); and online mentoring platforms will enable us to connect with distant entrepreneurs, thus addressing regional inequalities regarding the availability of support services.

Ultimately, by creating strategic alliances with Islamic banks and providing additional guarantee schemes aligned with the objectives of waqf, we will reinforce the sustainability of this financing model (Block et al., 2021, pp. 8–10). This complete financial ecosystem will turn underutilized assets into a powerful engine for creating equal opportunities for development in Algeria.

**Figure 3: Financing and Operation**



**4. Economic Feasibility and Developmental Impact**

The purpose of this section is to evaluate the Economic feasibility and Developmental Impact of the Proposed Model as it relates to the Financial Returns versus Social Utility aspect of the Model; the Role that Business Incubators play in reducing Entrepreneurs' Risks; and lastly, the Employment of Innovative Investment Mechanisms to establish Long-term Sustainability.

**Figure 4: Economic Feasibility and Developmental Impact**



### I. Cost–Benefit Analysis: Financial Returns for the Waqf and Social Returns for the Community

The economic viability of an incubator established on a waqf basis relies upon its dual ability to provide stable financial income for the waqf and produce measurable social utility. Asset re-investment in income-producing projects from productive waqf models has created a consistent revenue stream for the alleviation of poverty and the support of entrepreneurship. In the case of the incubator, it will be considered a productive waqf project: income from the rental of facilities and investment returns from cash waqf portfolios will support both the operation of the incubator, and the provision of social programs.

From a financial management standpoint, contemporary managers are emphasizing the importance of diversifying into real estate, social enterprises, and Sukuk, in order to provide long-term sources of income without diminishing the corpus (Zain & Sori, 2020, pp. 6–8). Integrated cash waqf–microfinance models also suggest that through targeted investments, administrative overhead costs can be covered, while at the same time, providing low-cost financing alternatives for micro enterprises (Syahran & Alzahira, 2025, pp. 8–10).

From a social perspective, empirical studies show that cash waqf programs with good management provide significant increases in access to microcredit and small business assistance and lead to economic transformation consistent with the Sustainable Development Goals (SDGs) (Shaikh et al., 2017, pp. 6–8). For the Algerian context, the feasibility of the waqf incubator will be evaluated by comparing the expected financial inflows (rent and investment returns) to the operational costs, including consideration of high-value social returns such as employment opportunities and business retention. When there is strong governance, the ratio of social benefit to financial cost remains extremely high.

### II. Risk Mitigation: How Incubators Reduce the Failure Rate of Micro-Enterprises

Micro enterprises, by their very nature, experience high rates of mortality from time-to-time as a result of both financial variability and insufficient managerial skills. Business incubators help to decrease the level of risk associated with entrepreneurship by providing physical and human capital support to micro enterprises. Incubated small and medium enterprises (SMEs), on average, have a significantly greater chance of surviving than do SMEs not incubated (Msimango Galawe & Hlatshwayo, 2021, pp.196-199).

In the Islamic social finance sector, the waqf acts as a form of "patient" capital on which the incubator can provide interest-free (Qarḍ Ḥasanī) or profit-sharing forms of finance without the exploitative burden of traditional forms of debt (Samrat & Nabi, 2025, pp. 6-8). Waqf revolving funds can serve as a risk-backup buffer that absorbs some of the risk of entrepreneurship while achieving certain social objectives (Syahran & Alzahira, 2025, pp. 12-14).

The waqf incubator reduces the likelihood of failure in three primary ways:

- Financial risk sharing through the use of Sharia-compliant contracts to finance businesses instead of through interest-bearing debt.
- Capability building by providing assistance to address the technical deficiencies that lead to the early-stage collapse of many businesses (Shaikh et al., 2017, pp. 9-11).
- Phased support by providing grant funding and subsidised services to businesses as they progress through the various phases of their maturity. This cushioning of the waqf resources will further preserve the waqf resources' contributions to the success of entrepreneurial firms.

### **III. Long-Term Sustainability: Innovating Modern Investment Tools for Waqf Capital**

Sustainability of the waqf incubator model depends on both maintaining the capital base and adapting to changing market conditions. Four pillars of literature on sustainability are: Innovative instruments; Governance structures; Technology; And Developmental Alignment.

Innovative instruments of sustainability include the use of modern investment tools such as Mushāraka based SRI Sukuk to create a financial vehicle for waqf properties to engage with responsible investors who desire a mix of financial returns and social responsibility (Zain & Sori, 2020, pp. 11-13). The use of cash waqf-linked Sukuk in Indonesia as a funding mechanism for business incubators and for national economic recovery (Budimansyah et al., 2025, pp. 155-157) serves as an example. Integrated funding channels such as fintech and crowdfunding, which are resilient funding sources, can facilitate outreach to marginalized groups (Ghozali, 2023, pp. 10-12).

The principles of strong governance and transparency are critical for sustainability. Digital transformation through the use of blockchain technology increases public trust and enables waqf to act as a contemporary public investment tool (Syahran & Alzahira, 2025, pp. 13-15). In addition, aligning waqf incubators with the SDGs will ensure ongoing relevance funding of developmental impact sectors such as youth entrepreneurship and local infrastructure development.

Embedding the waqf incubator in this innovative financial landscape within the context of the Algerian environment can offer a credible path to establishing a long-term sustainable self funding model that contributes to inclusive growth.

### **Conclusion and Recommendations**

In this research project, we have developed and proposed a new model to turn implantable waqfs into business incubators in relation to the Algerian environment. The primary assumption of the research is that waqf can serve a dual purpose: in addition to their traditional role in philanthropy, waqf can be converted from an idle charitable institution into a dynamic force for sustainable economic development through the reallocation of under-utilized resources into structured incubation entities that promote entrepreneurship and reduce unemployment, while simultaneously preserving the perpetual nature of waqf's capital.

Conceptual and Shari'ah analyses demonstrate that waqf is inherently compatible with contemporary development strategies. The stability of waqf provides an excellent opportunity for financing vital business advisor services (such as mentorship) and shared office space (such as co-working), and when combined with Maqāṣid al-Sharī'ah—the preservation of wealth and intellect—this model represents a credible means of financing the economic empowerment of youth in Algeria.

The diagnosis of the Algerian environment indicates that there exists a large gap between the dormant Waqf assets of Algeria's waqfs and the constraints faced by micro-enterprises. The proposed model serves to close this gap and reposition waqf as a catalyst for economic development. From a financial perspective, the model has potential for generating two returns on investment: financial sustainability of the waqf institution through diversified revenue

streams; and social returns through job creation and innovation. In addition, due to the use of risk-alleviation mechanisms, such as staged funding and intensive mentoring, this model will help eliminate the high failure rate that is normally associated with start-ups.

## Recommendations

In order to implement this model, the Ministry of Religious Affairs and Waqf institutions in Algeria should implement the following recommendations:

- Develop policies and establish a national plan for investment-oriented Awqāf, while creating guidelines to define the governance and partnership mechanisms between universities and Waqf institutions. This requires updating the legal framework so that Waqf institutions can fully participate in specialized incubation entities while protecting the corpus of their assets.
- Conduct a systematic audit of Waqf institution assets to determine which of these assets could be converted into innovation hubs or work cooperative spaces. The systematic audit should focus primarily on regions that have high levels of youth unemployment in order to maximize the local impact of the innovative spaces.
- Establish dedicated financial Waqf funds for the purpose of providing seed capital to Waqf institutions. These funds should be augmented with new partnerships with Islamic financial institutions and corporate social responsibility (CSR) programs in order to gain access to additional technical resources.
- Increase the capacity of the Waqf institutions through the filling of management positions with individuals with experience managing and developing business plans. Advisory boards composed of Sharia scholars and economists should also be established to provide oversight and ensure transparency in the use of Waqf assets.
- Develop communications campaigns to help change the culture of “Productive Waqf” and to support the success of incubators through the promotion of pilot incubators in order to increase public trust in the value of the model.

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