

RESEARCH ARTICLE

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Challenges and prospects of the National Office of Waqf, Zakat and Waqf Investment in Algeria

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Abstract

Waqf institutions are official state bodies, a phenomenon that has been witnessed in both the Arab and Western worlds. This study examines Waqf investment, a modern alternative to overcome social and economic crises, as a sector that supports and assists both the public and private sectors. This research explores the historical developments witnessed by the Waqf sector in Algeria, leading up to the establishment of the National Office of Waqf and Zakat, which is concerned with contemporary investment in Waqf yields and income.

The research aims to: Identify the conceptual framework for Waqf investment, and the challenges and prospects of the National Office of Waqf and Zakat in Algeria.

The study concluded: To prove the validity of the study hypothesis that states: "The National Office of Waqf and Zakat has a positive impact on the Algerian economy, by providing contemporary methods and approaches for developing and investing Waqf based on the provisions of Islamic Sharia." The study's questions were answered.

Keywords : Waqf investment, National Office of Waqf and Zakat, challenges, prospects.

I- Introduction : The considerable attention paid in recent years to endowment institutions, by both Arab and Western countries, is remarkable, given their positive impact on various national economies. This is due to their reliance on contemporary methods and structures to invest endowment funds in accordance with Islamic law. Despite this, these institutions face numerous challenges

and obstacles due to their relative novelty in Algeria. Given the rapid pace of current development, the need for modern, Sharia-compliant financial instruments and mechanisms has become crucial. Innovation in the field of endowments has also emerged as a key element, leading to the development of new investment models for endowment funds, which were nonexistent in the early Islamic state. These include: equity partnerships, leases with purchase options, and contributions to share capital such as shares, sukuk (Islamic bonds), and mudaraba (profit-sharing bonds). Investing through Islamic financial institutions, such as Islamic banks, Islamic investment institutions, and Islamic investment funds, is also an option. Western societies have made significant progress in developing endowment institutions, integrating them into many aspects of life. Healthcare, education, and scientific research centers now rely on foundations rooted in Islamic civilization. However, this tradition is waning in Muslim societies, where endowment institutions are suffering from neglect, decay, and decline, their benefits now limited to worship and student support. Faced with this alarming situation, we are compelled to actively seek modern approaches and methods, in line with contemporary developments, particularly the emergence of investment mechanisms that contribute to the development of foundations in general and their contemporary institutions in particular, in the hope of restoring their leading role in overall development.

1- Research Problem:

One of the most important aspects of charitable work is mobilizing the largest possible amount of available financial resources. Endowments (waqf) are considered the most important investment resource, both charitable and sustainable over time. They have shaped the landscape of charitable work, serving the purposes of social and economic development and thus meeting the diverse and evolving needs of society. Given that endowments differ from civil society institutions in that they are both economic and social institutions, the narrow view of endowments as purely religious institutions concerned only with mosques and their administrators has led to studies focusing solely on the religious dimension. This has confined the role of endowments to purely religious aspects, neglecting their economic, social, and financial dimensions. With the resurgence of endowments in some Islamic countries, the modernization of investment mechanisms, and the success of investment and endowment funds in some Islamic countries, it is essential to consider that investing endowment funds and properties is a significant and fundamental part of the wealth of the Islamic community. These funds can be utilized to alleviate the burden on the state budget in providing educational, social, and health services, as well as infrastructure and environmental services. Hence, the research problem becomes clear: proposing innovative investment models. Endowments fulfill some of the various development needs, and we formulate this in the following question:

How can the role of the National Office for Endowments and Zakat be activated in achieving economic development in Algeria?

2- Research Hypothesis and Sub-Study Questions:

The main study hypothesis is that "Endowment investment positively impacts the economies of both developed and developing countries by establishing new institutions dedicated to developing endowment funds, such as the National Office for Endowments and Zakat. This study aims to understand the current state,

future prospects, and challenges of endowment investment and to answer the following research questions:

- a- What is the conceptual framework of endowment investment and its importance in national economies?
- b- What is the importance of newly developed endowment investment models in supporting and ensuring the success of the Algerian National Office for Endowments and Zakat's plans?
- c- What are the effective means of activating endowment investment in Algeria?
- d- What are the challenges and difficulties facing the Algerian National Office for Endowments and Zakat?

- First hypothesis: Endowment investment contributes significantly to economic development.

- Second hypothesis: There are statistically significant differences in the level of contribution of endowment investment to economic development according to the occupation variable.

3- Research Objectives:

The research aims to:

- a- Establish the general conceptual framework of endowment investment by examining both traditional and modern models related to this type of endowment;
- b- Identify the most effective mechanisms, the efficiency that enables the National Office for Endowments and Zakat to achieve the desired economic development through the investment of endowment funds;
- c- Researching the current state and future prospects of the National Office for Endowments and Zakat in Algeria.
- d- Anticipating the most significant challenges facing the National Office for Endowments and Zakat in Algeria and providing necessary recommendations for its governance and improving its management and operations.
- e- Addressing the challenges facing the Algerian National Office for Endowments and Zakat.

4- Importance of the Research:

The importance of this research stems from the significance of the topic of endowment investment, identifying the general conceptual framework for endowment investment in

Algeria, and highlighting the current state, future prospects, challenges, and difficulties facing the National Office for Endowments and Zakat in Algeria.

II- Literature review:

1-Amour Abdel Salam, The National Office for Endowments and Zakat as a new mechanism for enhancing the third sector in Algeria - Commentary on Executive Decree 21-179, Journal of Legal and Political Thought, Volume 6, Issue 1 (2022), pp. 871-898. This analytical study addresses the role of the National Office for Endowments and Zakat as a new mechanism for enhancing the third sector in Algeria, considering that zakat and endowments are among the most important resources supporting the state's general budget. The idea of establishing an independent entity for endowments and zakat, and developing them independently from the bureaucracy of central administration, is commendable. However, it still requires significant legislative and functional scrutiny to truly embody this approach. Only then can we effectively discuss a new vision for developing endowments and zakat. Otherwise, we will simply be talking about another central administration added to all the departments under the Ministry of Religious Affairs and Endowments, which will only lead to further overlap in responsibilities and a greater delay in implementing programs to advance the zakat and endowment sectors in Algeria.

2-The idea of establishing an independent entity for endowments and zakat, and developing them independently, is commendable. 7. Khalouf Akila, The National Office for Endowments and Zakat: *Developmental Prospects* - A Reading of Decree 21-179, Al-Muntada Journal for Academic Studies and Research, Volume 6 / Issue 2 (2022), pp. 702-718. This study aims to shed light on the National Office for Endowments and Zakat, examining its operations and the legal and regulatory framework established by the Algerian legislator. This framework allows for the identification of the key features of this developmental institution, on which the government places great importance for

injecting new dynamism into the economic and social spheres. After analyzing Executive Decree 21/179, the following conclusions were drawn:

- The establishment of the National Office for Endowments and Zakat represents a very important experiment in the performance of the endowment system and the collection of zakat funds in Algeria. It requires specialists and those responsible for its implementation to support it by addressing the various shortcomings and obstacles it faces.

- The National Office for Endowments and Zakat suffers from a lack of independence, remaining entirely subordinate to the Ministry in decision-making.

- Achieving efficiency in the investment of zakat and endowment resources, ensuring their sustainability, and increasing their returns depends on the independence of the National Office for Endowments and Zakat.

- It is essential to adhere to the fundamental requirements for managing the Office, such as those related to project marketing, accounting standards, governance standards, and quality programs, which work to preserve endowment assets, increase their returns, and thus reduce investment risks.

3- Zakaria Ben Tounes, "The Independence of Waqf Administration in Algeria through Executive Decree 21-179," Al-Ijtihad Journal for Legal and Economic Studies, Volume 11, Issue 1, 2022, pp. 17-50. In this article, the researcher attempts to understand the content of this decree through an analytical reading of its provisions related to waqf (endowment) matters, without delving into zakat (alms) matters. This aims to answer a question that concerns many interested in waqf affairs in Algeria: Did this decree fulfill the aspirations and hopes for establishing an independent waqf administrative body, free from oversight? To answer this question, the importance of administrative independence for waqf institutions and its positive effects were reviewed. After a preliminary analysis of the

provisions of Executive Decree 21/179 concerning the establishment of the National Office for Waqf and Zakat, the following conclusions were drawn:

- Government management of waqfs was accompanied by shortcomings that hindered a strong start towards a prosperous future.
- Advantages that can be derived from non-governmental management of endowments.
- The Diwan (Custodian of Endowments) acts as the administrator of endowments, bound by the legal and religious obligations of an endowment administrator.
- The Diwan's board of directors acts as the administrator of public endowments, but the majority of its members have no connection to endowments (in terms of knowledge, oversight, or interest) nor to the function of trusteeship. Nevertheless, they hold the decision-making power.
- Despite the importance and role of the Sharia Supervisory Board, it is not represented on the Diwan's board of directors and therefore has no say in decision-making.

4. Soufiane Chebira, The Limits of the National Office for Endowments and Zakat's Independence - A Critical Analytical Reading of Decree 21-179, Journal of Comparative Legal Studies, Volume 7, Issue 2 (2021), pp. 667-685. Therefore, the central question this research paper seeks to answer is: to examine the extent of the National Office for Endowments and Zakat's independence in carrying out its assigned tasks, or in other words: do the legal rules establishing the National Office for Endowments and Zakat and regulating its operational mechanisms truly embody its independence in managing endowment properties and zakat funds? Among the most important conclusions reached by the paper are: - The establishment of the National Office for Endowments and Zakat is a very important experience in the process of developing the performance of the

endowment system and collecting zakat funds in Algeria. This experience requires specialists and those in charge to support it by correcting any shortcomings that may arise. -The weakness of the independence of the National Office for Endowments and Zakat can be classified into two degrees: the first degree confirms the weakness of independence at the level of the essential and fundamental issues in the work of the Office, and the second degree is evident through the lack of independence at the level of some subsidiary issues in the work of the Office.

5-Mohamed Ghazlan and Abdelkader Allam, "Managing Algerian Endowments Institutions Using Blockchain Technology," 2020. In this article, the authors attempted to study the feasibility of Algerian endowments institutions using blockchain technology. This was achieved through open interviews with five experts on endowments and blockchain from the Ventera Foundation, endowment directors in Algeria, and several professors specializing in endowments. The study concluded with the following:

- Revitalizing the endowment institution within its surrounding environment (input-output-feedback).
- Endowment institutions benefiting from technological developments and innovations by using blockchain technology and smart contracts (smart contacts).
- Integrating endowments and blockchain can provide effective and practical solutions to the obstacles facing endowment institutions in our modern era.

6. Muhammad Jaafar Hani and Muhammad Yadu, The Role and Importance of Using Blockchain Technology in Developing the Waqf Sector: Finterra Waqf Blockchain Platform in Malaysia as a Case Study, 2021. This analytical study aimed to identify the advantages and opportunities of using blockchain in waqf and charitable work, which can be used to finance and manage waqf assets and investments. It also highlighted a blockchain product developed to serve waqf

and charitable work, namely the Finterra Waqf Chain platform in Malaysia. The study concluded that this technology is one of the most important things needed to revitalise waqf and transform it into a source of returns that can be used to develop new waqfs.

III– Methods and Materials:

Algeria ranks third in the Arab world in terms of the size of its endowments (waqf properties). However, these properties have suffered greatly from neglect, particularly during the colonial period, which led to their loss and seizure. This has made the state's task of recovering them difficult, despite the efforts of the supervising ministry. The ministry is conducting a campaign to inventory endowments and update their leases. It has also established the National Office for Endowments and Zakat to manage funds endowed by individuals, aiming to restore the status and role of endowments in development. This chapter will address endowment investment and its development in Algeria, as well as ways to activate the role of the National Office for Endowments and Zakat in achieving economic and social development. Accordingly, the research is divided into the following three sections:

- 1- The Historical Development of Endowments in Algeria.
- 2- The Current State of Endowment Investment in Algeria.
- 3- Statistical Tools and Methods Used in Conducting the Field Study.

Section One: The Historical Development of Endowments in Algeria

Endowments in Algeria were introduced with the arrival of Islam and witnessed relative development during the Ottoman period, when they came to own a significant percentage of properties, both in cities and rural areas. Some historians estimate that they controlled

approximately two-thirds of urban and rural properties.

The Algerian endowment system has undergone several phases of development throughout its history. These phases included periods of prosperity and growth, most notably during the Ottoman era, followed by the French colonial period. During the colonial period, endowments suffered negative repercussions, experiencing a marked decline due to their exploitation and plunder, aimed at weakening their role and value.

After independence and the beginning of Algeria's independent era, endowments began to slowly reassert and consolidate their economic and social role. In light of the challenges that endowments might face, a specialized administrative system was established to manage them and ensure their protection from abuse and exploitation. This system manifested itself in a set of demands, the most important of which are:

1- The status of Algerian endowment resources during the Ottoman era

Endowments during the Ottoman era were numerous and were managed and administered meticulously to control their resources and restrict their expenditures. The impact of some of these properties remains to this day, as attention was given to the construction of mosques and centers of learning, and to the maintenance of existing properties.

Examples of the positive role of endowments during the Ottoman period include:

Endowments in Algiers: Endowments in the city of Algiers alone constituted a significant proportion. According to the census conducted in the early years of the French occupation of Algeria, 2,756 endowments were identified, including 1,717 family endowments and 1,039 charitable endowments (Ahmed, 2005, p. 138). These endowments facilitated the construction of 106 mosques, schools, and religious centers. They were also distributed among numerous charitable and religious institutions (Kamel, p. 116). Evidence of the development that Ottoman Algeria

experienced can be found in the following table No. 01, which represents the

development of the endowments of the Great Mosque of Algiers:

Table No. 01: Development of the endowments of the Great Mosque of Algiers

Number of endowment contracts that were made for the Great Mosque of Algiers	Period in Gregorian calendar year	
	to year	From the year
13 contracts	1600	1540
33 contracts	1650	1601
48 contracts	1700	1651
65 contracts	1750	1700
157 contracts	1800	1751
227 contracts	1841	1800

Source: Kamal Mansouri, Investment of Endowments and its Economic and Social Effects, previous reference, p. 116

We can distinguish the following characteristics regarding the investment of endowments (waqf) during the Ottoman era (**Khaled, 2004, p. 12**):

- The Islamic identity that united Algerian society at that time had a clear impact on the management of endowments, as Sharia rulings were observed.
- The exchange of an endowment was permitted if its loss was anticipated, its income ceased, or its user was unable to repair or restore it, unless it was a mosque. Renting it was also permitted (**Yacine, 2006-2007, p. 212**).
- Investment operations on endowments were overseen by a scholarly council that convened weekly in the main mosques of all major cities. No endowment could be disposed of except by a decision of this council and after consulting with experts (**Djilali, 2014-2015, pp. 65-66**).
- The management of endowments was supervised by a group of highly competent officials. This is evident in the meticulous and precise inventory that included a list of endowments, a record of their income, and a record of their expenditures. This inventory was documented in four identical records distributed among several bodies: the overseer of the treasury, the village chief, the Hanafi judge, and the Maliki judge. The diversity of

endowment properties since the late 15th and early 18th centuries CE, and their increasing returns, include the following among the most important endowments:

- 1- The Two Holy Mosques Foundation (Endowments of Mecca and Medina): This is considered the oldest endowment institution in Algiers. Its organization and management were tightly controlled, and it acquired the majority of endowments both inside and outside Algeria, estimated at 1,585 properties, representing three-quarters of the endowed properties in Algiers. Its income in 1837 was estimated at 143,233 francs, equivalent to 434.67 grams of gold. (**Faress, 2008, p. 5**)
- 2- The Great Mosque Foundation: The Great Mosque Endowment Foundation ranks second in importance after the Two Holy Mosques Foundation. Its emergence as an institution dates back to the mid-16th century, and its number increased significantly. From 158 endowments in 1750 to 523 in 1821, 150 Algerian women dedicated their properties to the Great Mosque (**Hichem, 2015, p. 126**).
- 3- The Sabil al-Khayrat Foundation: This was a semi-official institution that oversaw all endowments related to serving the Hanafi school of thought, including zawiyyas (Sufi lodges), schools, mosques, employees, and the poor. It was counted that 92 shops belonged to

the Sabil al-Khayrat Foundation, with a total annual income estimated at 4,455 riyals. A notable characteristic of this foundation was that the majority of the shops were invested in by Jews, particularly in the goldsmiths' market (**Souria, 2009-2010, p. 49**).

4- The Endowments of the Bait al-Mal Institution: This institution was responsible for aiding the poor, orphans, prisoners of war, and travelers. It also managed state spoils of war, oversaw foreign affairs and the purchase of equipment, supervised the construction of public facilities such as roads and bridges, and built places of worship. Furthermore, it was responsible for settling estates, preserving the assets of absentees, and undertaking charitable works such as burying the deceased poor and travelers and distributing alms to the needy (**GUEMITI Wafaa, 2016, p. 227**).

5- The Andalusian Endowments Institution: Arab immigrants from Andalusia established a congregational mosque in 1033 AH and dedicated several endowments to it. This endowment institution was established after the hardship faced by the Andalusians who migrated to North Africa, settled in coastal cities, and participated in the war against the Spanish (**Abdelkader, 2021, p. 79**).

6- Endowments of Sufi Lodges, Saints, and Sharifs: The endowments of these independent institutions were dedicated to the shrines of saints and Sharifs and the schools they founded during their lifetimes (**Abdelkader, 2021, p. 79**).

7- Public Utilities Endowments (Roads, Springs, and Irrigation Canals): These were established for religious reasons, particularly the desire for abundant reward and ongoing charity by providing water and care for travelers (**Abdelkader, 2021, p. 80**).

8- The Janissary Endowment (Soldiers' and Barracks' Endowments): These endowments originated with soldiers who rose through the military ranks. The importance of the endowed property was linked to the importance of advancement in rank or administrative position held by the endower. The income and proceeds from these endowments were designated for the upkeep and maintenance of barracks and the construction of new ones (**Abdelkader, 2021, p. 80**).

Thanks to endowments in Algeria during the Ottoman era, they became an essential part of economic, social, and cultural development, forming a vital support for both society and the state. After the French occupation, endowments in Algeria were subjected to looting and destruction, as France seized their resources and used them for its own benefit, depriving the rightful beneficiaries of their rightful share.

2- The status of Waqf resources in Algeria during the French occupation

After 40 years of French occupation in Algeria, Islamic endowments were confiscated despite previous pledges to preserve them. The French authorities were granted the power to manage and distribute their proceeds (**Elhakem, 20174, pp. 5-6**), and those who disobeyed were threatened with penalties. Individuals were promised monthly payments from the endowment funds, but this promise was only partially fulfilled in the capital. Endowments were seized and distributed to various entities, and mosque endowments were abolished under the pretext that their income was being diverted to foreigners. Former trustees were dismissed and replaced with French officials. The authorities seized 121 endowments, including 22 endowments for the Two Holy Mosques (Mecca and Medina), 99 endowments for the Great Mosque, and other endowments for public facilities such as roads and wells (**Refaai, 2009, pp. 35-36**). In 1839, religious endowments (waqf) were divided into three categories: (**Zakaria, 2015, p. 354**)

- National Domain (State Property): This included properties transferred to the public interest with revenues and capital from the treasury, and properties whose revenues were not transferred to local authorities and did not revert to the ownership of local communities or associations.

- Colonial Domain: This represented colonial properties.

- Confiscated Properties: In 1843, the endowments of mosques and religious institutions were annexed by the colonial authorities, and the role of the department responsible for their management was diminished. In 1844, the endowments lost their protection and became real estate, leading to

the appropriation of much waqf land by Europeans.

The French occupation of Algeria targeted religious endowment institutions in the capital intensely, attacking them by various means because they were considered a major obstacle to their control and policies, including Christianization and the spread of ignorance. Some were demolished (such as the Sayyida Mosque), while others were converted into churches, armories, hospitals, or pharmacies (such as the Ketchaoua Mosque, the Fouad Pasha Mosque, and the Ali Betchin Mosque). For example, the properties of the Great Mosque, which included numerous houses, shops, orchards, and revenues, were incorporated into the French administration, thus negating the vital roles these institutions had played before the French occupation (**Kamel M. F.**, p. 13).

3- The Status of Waqf Resources in Algeria After Independence: This period witnessed a gradual return to the role of waqfs, despite the legal vacuum they faced, until Law 10/1991 was enacted. This law gave new impetus to waqfs and defined their various aspects. The status of waqfs in Algeria can be traced through two periods:

First Section: From Independence until 1990: After independence, sufficient legal protection was not provided for waqfs, leading to their seizure and claims of ownership by members of society. Waqf funds were confiscated by public institutions under the pretext that they had become vacant assets. However, Algerian law has taken measures to protect and recover these funds, including (**Kheireddine, 2012, p. 140**):

- The period between 1963 and 1965: The management of endowments was divided between a sub-directorate within the Ministry of Religious Affairs and a main inspectorate linked to the ministry's general secretariat (**Kheireddine, 2012, p. 142**).

- The period between 1971 and 1974: Endowment funds deteriorated after the Algerian Revolution law and the nationalization of many endowments for the Revolutionary Fund, with the exception of unutilized endowments. In 1974, many were transferred to municipalities and used to construct numerous public institutions and

facilities, while some were sold to private individuals and used for unauthorized construction (**Kheireddine, 2012, p. 145**).

Section Two: The period after 1990: The 1989 Constitution was issued, enshrining and protecting endowment traditions through Article 41. The Algerian legislature also strengthened the status of endowments by issuing other important laws, the most prominent of which will be discussed in the following section.

4- The Reality of Waqf Investment in Algeria

To comprehensively understand Waqf investment in Algeria, we need to explore its features, characteristics, and various developments.

1- Features and Characteristics of Waqf Investment in Algeria

This section clarifies the features and components of Waqf to understand the status of Waqf investment in Algeria and its most important characteristics.

Subsection One: Features of Waqf Investment
Waqf investment in Algeria has several features, which can be briefly summarized in the following points (**Kamel M. , p. 144**):

First: The Waqf portfolio is diverse, including land for construction, agriculture, commerce, and services such as stations, restaurants, clubs, bathhouses, cinemas, and more;

Second: Due to a lack of maintenance, some Waqf properties require complete reconstruction because of their age, which reduces their revenue and impact on development;

Third: Algerian Waqfs are characterized by their perpetuity, making Waqf management a fundamental issue;

Fourth: Waqfs possess a legal personality and are not owned by individuals or entities, which grants the properties legal, religious, and social protection.

Fifth: Many endowments were subjected to attacks, looting, and seizure, especially during the French colonial period. Many endowment properties were also lost due to the agrarian revolution, particularly because of the legal changes to Algerian endowments during that period (**Khaled A. , 2007/2008, p. 153**).

5- Characteristics of Endowment Investment: The most important economic

characteristics of Algerian endowment investment can be summarized as follows:

5-1- Illustrated Assets.

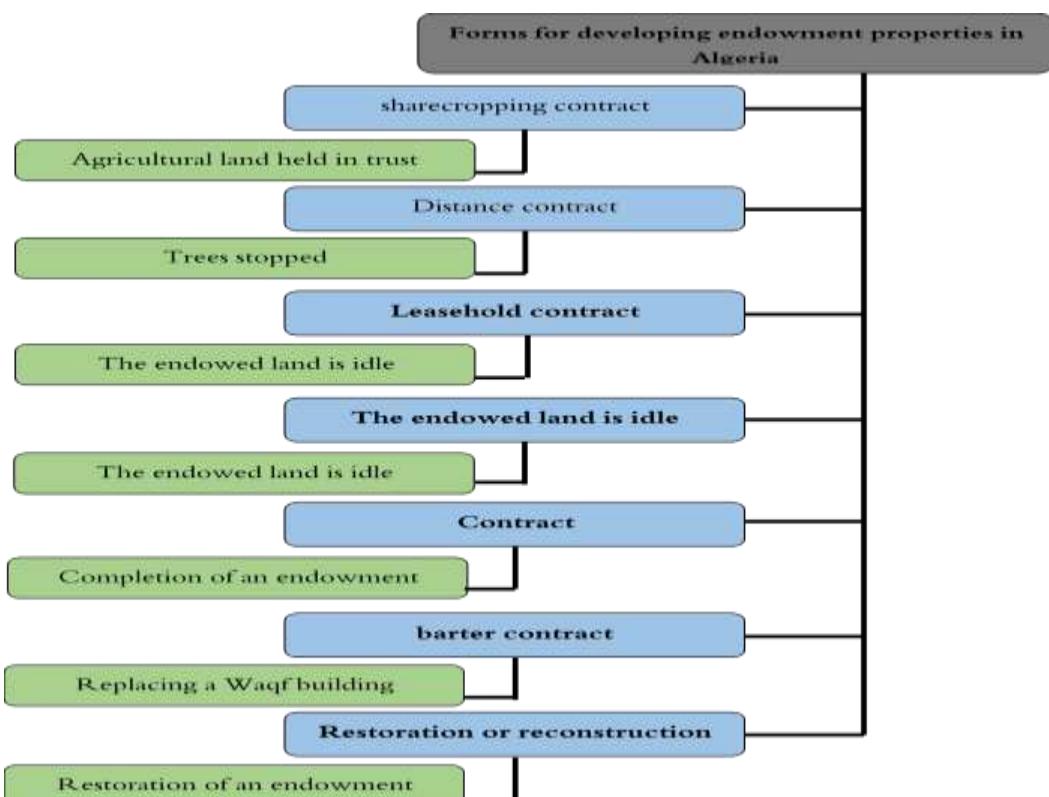
Illustrated endowment assets include real estate and movable assets that can be invested, such as renting out properties, equipment, shops, and residences. Algerian endowments own many of these properties. Their revenues as of December 31, 2018, amounted to 5,326,000.00 DZD (collected for the Tlemcen province during 2018) (Tlemcen, 2018).

Statistics show that all endowment funds are invested through rental, and modern investment methods have not been implemented. These revenues go to the central administration, where they are allocated only

to large projects (Abdelkader B., 2003/2004, p. 47).

5-2- Liquid Assets. In Algeria, endowment funds are exploited by renting out their various assets. The rental value is often very low, despite the diversity of endowment properties, which reached 920 endowment properties (collection for the state of Tlemcen during the year 2018) (Tlemcen, 2018). However, there is an urgent need to update the rental value to match the large endowment funds and to rebuild damaged endowments, which would increase revenues and serve the interest of the endowment and the beneficiaries.

Figure No.01: Forms for developing endowment properties in Algeria according to Law 01/07.



Source: Dr. Abdelkader Qaddawi, The Development of the Legal and Financial System of Waqf Resources Throughout the History of Algeria - Examination and Proposals - Waqf, a peer-reviewed scientific journal, Issue 4, July 2021, Sa'i Foundation for Waqf Development, Riyadh, Saudi Arabia, p. 99.

The idea of investing and developing endowment funds was first considered with the

issuance of the first Endowments Law, No. 91/10, particularly Article 45. While initial laws permitted the investment and development of endowment funds, they left the specific methods for doing so to future legislation (91/10). The historical development of decrees and laws related to endowment investment can be traced as follows:

➤ Decrees and Laws on Endowment Investment

The following table provides a brief overview of the legal and regulatory foundations aimed

at developing endowment investment in Algeria.

Table No. 02: Legislative and Regulatory Texts Concerning Endowments in Algeria from 1991

Legislative and regulatory texts relating to endowments	Official Gazette, issue number and date
Law No. 91-10 dated 1411, corresponding to January 27, 1991 AD Shawwal, related to endowments	Issue No. 21, published on May 8, 1991
Law No. 01-07 dated 28 Safar 1422 AH, corresponding to 22 May 2001 AD, amends and supplements Law No. 91-10 dated 12 Shawwal 1421 AH, corresponding to 27 April 1991 AD, relating to endowments	Issue No. 29, published on May 23, 2001
Law No. 02-10 Shawwal 1423 AH, corresponding to 14 December 2002 AD, amending and supplementing Law No. 91-10 dated 12 Shawwal 1411 AH, corresponding to 27 April 1991 AD, related to endowments, as amended and supplemented	Issue No. 83, published on December 15, 2002
Executive Decree No. 98-381 dated 12 Sha'ban 1419 AH corresponding to 01 December 1998 AD, which specifies the conditions for managing, operating, protecting, and the methods for doing so of endowment properties	Issue No. 90, published on December 2, 1997
Executive Decree No. 14-70 dated 10 Rabi' al-Thani 1435 AH, corresponding to 10 February 2014 AD, which specifies the conditions and lease of endowment lands allocated for agriculture	Issue No. 9, published on February 20, 2014
Executive Decree No. 18-213 dated 09 Dhu al-Hijjah 1439 AH, corresponding to 20 August 2018 AD, specifies the conditions and methods for exploiting endowment properties intended for the implementation of investment projects	Issue No. 52, published on August 29, 2018
Executive Decree No. 21-197 dated 21 Ramadan 1442 AH corresponding to 3 May 2021, establishing the National Office for Endowments and Zakat and defining its basic law	Issue No. 35, published in 2021 AD

Source: Prepared by researchers based on official newspapers

Section Two: Challenges Facing the Algerian National Office for Endowments and Zakat

The establishment of the National Office for Endowments and Zakat in Algeria is an important experiment in developing the endowment system and collecting zakat funds. However, it requires addressing potential shortcomings.

The weakness of the National Office for Endowments and Zakat's independence can be categorized into two levels: the first pertains to fundamental and essential matters, and the second to subsidiary matters, as follows:

1- The manifestations of the first level of weak independence are (Soufian, 2021, p. 673):

A- The Director General's authority to establish branches and affiliates of the Office is denied, and this power is granted to the supervising minister.

B- The Office's internal regulations and Sharia board are determined by a decision issued by the supervising minister, rather than by the Director General.

C- The Director General's authority to appoint various staff members is denied, and this power is granted to the supervising minister.

D- The supervising minister chairs the Office's board of directors, rather than the Director General. 1- Stripping the Director General of the Office of his membership on its Board of Directors, limiting his role to that of Secretary and Advisor (advisor) (kaderr, 2018, p. 54).

2- The second level of weakness and lack of independence of the Office is manifested in the requirement to coordinate with the supervising ministry in the process of preparing programs and activating media campaigns related to endowments and zakat. Therefore, it is merely a central administration affiliated with the Ministry of Religious Affairs and Endowments (88/01, 12/01/1988), and it needs a comprehensive review to achieve its independence. Accordingly, the Office must address several challenges, the most important of which are:

- Achieving the separation and independence of the National Office of Endowments and Zakat from the supervising ministry by granting the Director General broader powers, starting with technical tasks, and working to expand these powers to achieve complete independence.

- Separating the Endowments Office and the Zakat Office on both the administrative and financial levels due to the nature of the funds (Ammar, 2021, p. 141).

- The National Office for Endowments and Zakat (Ownership of Zakat) was given a prominent role within its responsibilities, contrary to the provisions of Decree 21-179, which gives the impression that the decree merely regulates the management, development, and investment of endowments.

- The Office adopted digitalization for statistical, monitoring, and recovery processes for all endowment properties (Aqila, 2022, p. 705).

- Tax incentives were granted to entities investing in endowments.

- The Office adopted governance principles and defined responsibilities through oversight and transparency to improve performance.

In conclusion, while the Algerian legislature deserves credit for establishing a national office dedicated to the management, investment, and development of endowments and zakat, as stipulated in Decree 21-179, this establishment still requires significant legislative revisions. These revisions are crucial for the development of the National Office for Endowments and Zakat, particularly regarding its independence, which is a fundamental requirement for the Office's advancement of the endowment and zakat system in Algeria.

Section Three: Statistical Tools and Methods Used in Conducting the Field Study.

To address the research problem, which focused on the role of endowment investment in achieving economic and social development—a case study of the Algerian National Office for Endowments and Zakat—a random sampling method was used to collect data based on a questionnaire.

Research Instrument: To prove or disprove the proposed hypotheses that would help answer the research problem, the study relied on a questionnaire to collect data. This questionnaire was developed based on a review of previous research and studies. Subsequently, the questionnaire was submitted to a specialized professor and supervisor for their input and modifications to facilitate the data collection process. The final version of the questionnaire was then formulated. This questionnaire comprises two parts:

Part One: Personal information, which represents the qualitative variables and serves as general data pertaining to the sample members.

Part Two: This section expresses the individuals' opinions and their degree of agreement regarding the role of endowment investment in achieving economic and social development. This part contains 50 questions distributed across the following themes:

- First Axis: The Contribution of Endowment Investment to Economic Development (10 questions)
- Second Axis: The Availability of Financial and Administrative Independence in Investment Decisions for Endowment Funds within the Diwan (10 questions)
- Third Axis: The Suitability and Adequacy of the Investment Methods Used by the Diwan for Endowment Funds (10 questions)
- Fourth Axis: The Challenges Facing the Diwan in Activating the Role of Endowment Investment to Achieve the Targeted Development (10 questions)

Section One: Statistical Methods Used: A set of statistical methods was used to analyze the data, including:

- Calculating Cronbach's Alpha: This coefficient was used to verify the reliability of the measurement tool.
- Descriptive Statistics: Used to calculate percentages and frequencies to describe the study sample.
- Calculating Standard Deviation and Arithmetic Mean: Used to analyze and interpret the opinions and responses of the sample members.
- Calculating Standard Deviation: Used to assess the variance of the data.
- Using a Five-Point Likert Scale: Used to evaluate the items in Part Two of the questionnaire using the following scores:
 - One point (1): Strongly Disagree
 - Two points (2): Disagree
 - Three points (3): Neutral
 - Four points (4): Agree
 - Five points (5): Strongly Agree

□ Determining Relative Importance = (Upper Choice Criterion - Lower Choice Criterion) / Number of Measurement Levels

$$(5 - 1) / 3 = 1.33$$

Therefore, we consider:

Upper Choice Criterion: Equals 5;

Lower Choice Criterion: Equals 1;

Number of Measurement Levels: Divided into 3 levels;

Accordingly, the following ranges were defined:

- Range One: From 1 to 2.33 represents a low-level score.
- Range Two: From 2.34 to 3.66 represents a medium-level score.
- Third range: Scores from 3.67 to 5 represent a high level.

□ One-way ANOVA analysis: Used to test the statistical relationships between the dependent variable and the independent variables.

□ Regression: Used to study causal relationships.

This represents:

X1: The availability of financial and administrative independence in making investment decisions for endowment funds within the Diwan.

X2: The suitability and adequacy of the investment models for endowment funds used by the Diwan.

X3: The challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development.

□ Pearson's correlation coefficient: Used to assess the quality of the correlation between the study variables;

□ Calculating Pearson's correlation coefficient;

- Calculating the VIF inflation coefficient to detect linear interaction between the study variables;
- Performing a t-test to determine the difference between the mean responses.

Section One: Study population and sample:

1-Study Population:

The study population comprised a random sample of employees at all academic levels within the Directorate of Endowments and Zakat in Tlemcen, as well as university professors with relevant specializations, totaling approximately 39 individuals.

Fifty questionnaires were distributed, 11 of which were discarded, leaving 39 questionnaires (80%) used for final processing.

Table No. 03: Distribution of the studied sample

Their number	Distributed and returned questionnaires
50	Distributed questionnaires
50	returned questionnaire
11	Excluded questionnaires
39	The surveys used

Source: Prepared by the researchers using the results of the questionnaires

2- Validity and Reliability of the Measurement Instrument:

To ensure the validity and reliability of the questionnaire items, Cronbach's alpha

coefficient was measured, which reached 95.5%. Therefore, it is clear that the instrument is sound and acceptable, and the results obtained can be generalized to the population as a whole.

Table No. 04 Reliability Degree

Number of variables	stability coefficient
50	0.955

Source: Prepared by the researchers using SPSSv23 outputs

IV- Results and discussion:

Based on the information and methods mentioned previously, this step aimed to arrive at an approximate answer to the research problem. However, it should be emphasized that the results obtained are not definitive or conclusive.

First: Presentation of the Field Study Results

1- Description of the Study Sample Characteristics:

1-1- Distribution of the Study Sample According to the Gender Variable:

The table below shows the distribution of the study sample according to the gender variable:

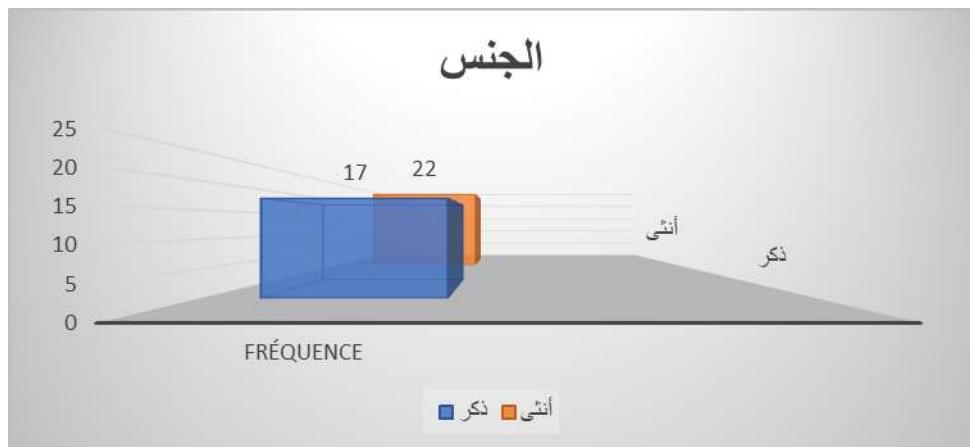
Table No. 05: Distribution of the Study Sample According to the Gender Variable

Percentages	Repetitions	Sex
43,6 %	17	Male
56,4 %	22	Female
100,0 %	39	Total

Source: Prepared by the researchers using SPSSv23 outputs

In general, those in charge of endowment funds in Algeria are mixed in gender, as clearly shown in the following graph:

Figure No. 02: Distribution of the study sample according to the gender variable



Source: Prepared by the researchers using Excel.

1-2- Distribution of the study sample according to the educational level variable:

The following table shows the distribution of the study sample according to the qualitative variable of educational qualification

Table No. 06: Distribution of the study sample according to the educational qualification variable

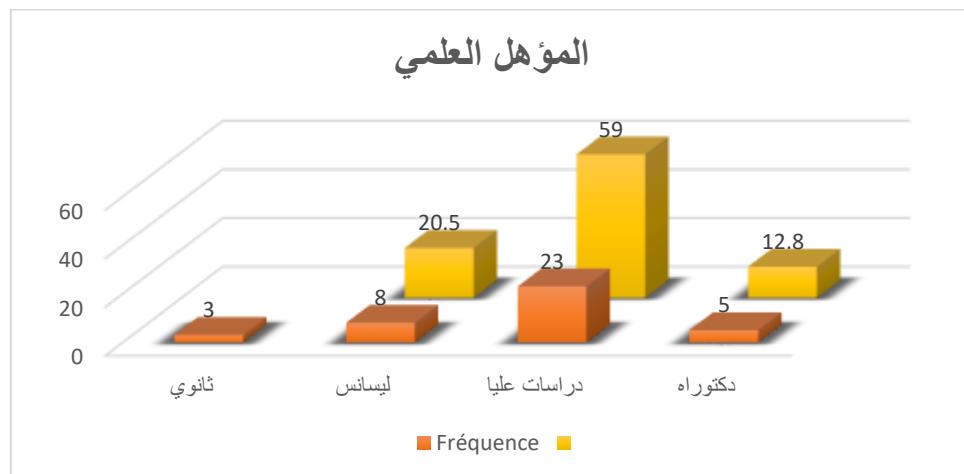
Percentages	Frequencies	Age groups
7,7%	3	Secondary
20,5%	8	Bachelor's
59,0%	23	Master's
12,8%	5	PhD
100,0%	39	Total

Source: Prepared by the researchers using SPSSv23 outputs

This can be explained by the fact that most of those in charge of investing endowment funds are university graduates, with the largest percentage holding master's degrees. This

indicates that they are qualified to activate the development of Islamic endowment resources in Algeria.

Figure No. 03: Distribution of the study sample according to the academic qualification variable



Source: Prepared by the researchers using Excel.

1-3- Distribution of the study sample according to the age variable:

The following table shows the distribution of the study sample according to the qualitative variable of age:

Table No. 07: Distribution of the study sample according to the age variable

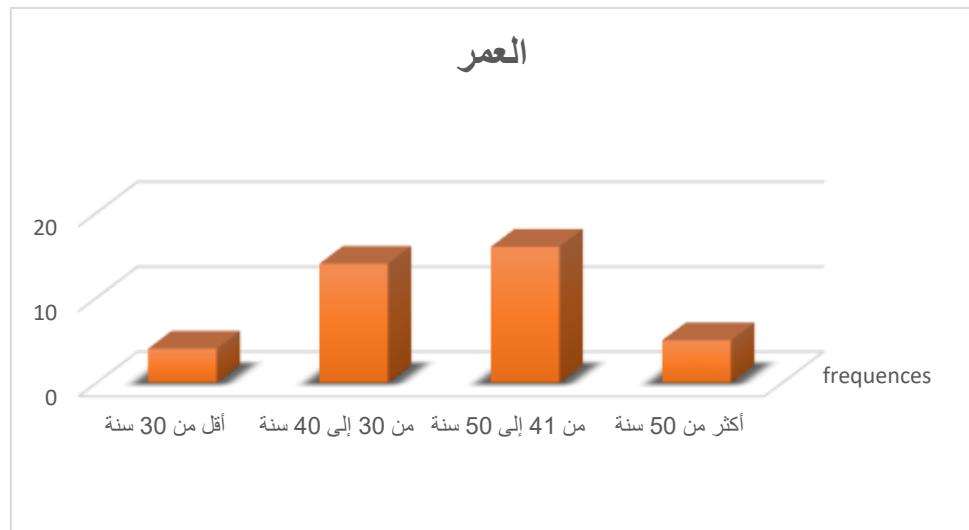
Percentages	Frequencies	Age groups
%10,3	4	Under 30 years old
%35,9	14	to 40 years old 30
%41,0	16	to 50 years old 41
%12,8	5	Over 50 years old
%100,0	39	Total

Source: Prepared by the researchers using SPSSv23 outputs

The table above shows that the majority of workers in the endowment are middle-aged, ranging in age from 41-50 years, at a rate of 41.0%. This is normal, meaning that their ages

are consistent with their experience in the field of endowments and their ability to answer the questionnaire rationally and credibly.

Figure No. 04: Distribution of the study sample according to the age variable.



Source: Prepared by the researchers using Excel.

1-4- Distribution of the study sample according to the scientific specialization variable:

The following table shows the distribution of the research sample according to the qualitative variable of scientific specialization:

Table No. 08: Distribution of the study sample according to the scientific specialization variable.

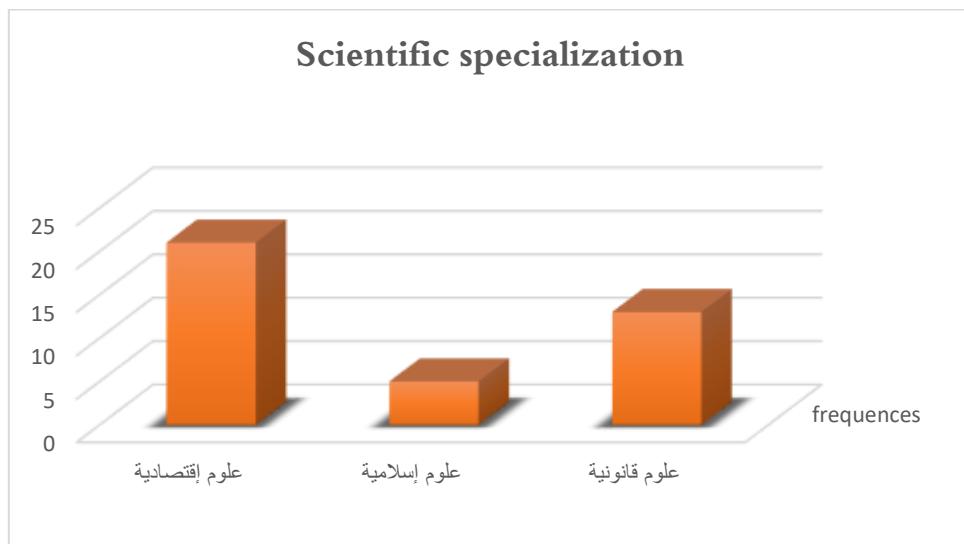
Percentages	Frequencies	Scientific specialization
%53,8	21	Economics
%12,8	5	Islamic Studies
%33,3	13	Legal Studies
%100,0	39	Total

Source: Prepared by the researchers using SPSSv23 outputs

The table above shows that the majority of survey respondents were from the fields of economics and law (53.8% and 33.3%, respectively). Islamic studies ranked third, represented by professors specializing in Islamic law (12.8%). This is attributed to the fact that endowments management does not

require a large number of legal professionals; one may suffice. Instead, endowments management may need staff with greater expertise in the financial and administrative aspects of endowments. The following graph clearly illustrates this.

Fi No. 05 Distribution of the study sample according to the scientific specialization variable.



Source: Prepared by the researchers using Excel.

1-5- Distribution of the study sample according to the job position variable:

The following table shows the distribution of the study sample according to the qualitative variable represented by job position:

Table No. (09): Distribution of the study sample according to the job position variable.

Percentages	repetitions	Job position
35.9%	14	Endowment Trustee
7.7%	3	Beneficiary of the endowment
12.8%	5	Worker in endowment affairs
43.6%	17	professor
100%	39	the total

Source: Prepared by the researchers using SPSS v23 outputs.

The table above shows the distribution of responses for the position variable. We find that the majority of respondents to the questionnaire were university professors, with a percentage of (43.6%). The second category came with an estimated response rate of (35.9%), followed by those interested in endowments and those working in its fields,

with a percentage of (8.12%). The lowest percentage, estimated at (7.7%), was related to the beneficiaries of endowments. This is attributed to the fact that this category is difficult to research, in addition to the limited level of most of them and consequently their inability to fill out this questionnaire in a way that serves the research objectives.

Figure (06): Distribution of the study sample according to the job position variable.



Source: Prepared by the researchers using Excel.

1-6- Distribution of the study sample according to the professional experience variable:

The following table shows the distribution of the study sample according to the qualitative variable of professional experience:

Table No. (10): Distribution of the study sample according to the professional experience variable.

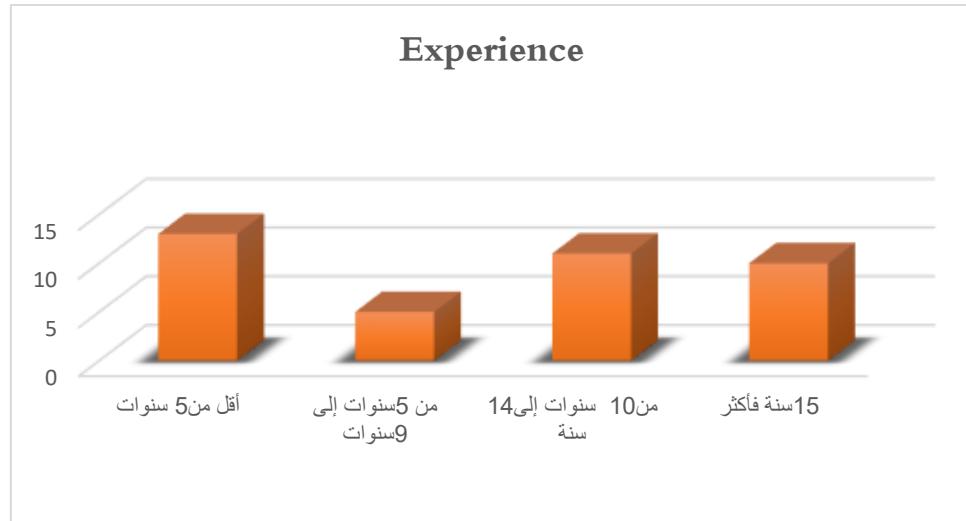
Percentages	repetitions	Professional experience
33.3%	13	Under 5 years
12.8%	5	From 5 years to 9 years
28.2%	11	out of 10 Years to 14 years
25.6%	10	15 years and older
100%	39	the total

Source: Prepared by the researchers using SPSS v23 outputs.

Regarding the experience variable, the results show that the majority of respondents had less than 5 years of experience, followed by those with 10 to 14 years of experience, and then those with more than 15 years of experience, with very similar percentages of 33.3%, 28.2%, and 25.6%, respectively. The table also shows that a significant proportion of those

managing endowment funds are young people who possess sufficient experience and scientific skills, thus combining creative abilities with a spirit of development and modernization, and emulating international best practices in endowment investment. This is illustrated in the following figure:

Table No. (07): Distribution of the study sample according to the professional experience variable.



Source: Prepared by the researchers using Excel.

2- Studying the correlation between the contribution of endowment investment to economic and social development and the three study variables:

The following table shows the values of Pearson's correlation coefficient and the level of significance for each of the independent and dependent variables in relation to each other.

Table No. (11): Correlation Matrix between Study Variables

		Y 1	Y2	X1	X2	X3
Corrélation de Pearson	Y 1	1,000	0,251	0,105	0,443	0,489
	Y2	0,251	1,000	0,621	0,544	0,457
	X1	0,105	0,621	1,000	0,616	0,396
	X2	0,443	0,544	0,616	1,000	0,810
	X3	0,489	0,457	0,396	0,810	1,000
Sig . (unilatéral)	Y 1	.	0,061	0,262	0,002	0,001
	Y2	0,061	.	0,000	0,000	0,002
	X1	0,262	0,000	.	0,000	0,006
	X2	0,002	0,000	0,000	.	0,000
	X3	0,001	0,002	0,006	0,000	.
N	Y 1	39	39	39	39	39
	Y2	39	39	39	39	39
	X1	39	39	39	39	39
	X2	39	39	39	39	39
	X3	39	39	39	39	39

Source: Prepared by the researchers using SPSS v23 outputs.

- ✓ The results in the table show a weak to moderate relationship between the study variables. Regarding the correlation between the independent variables, most were found to be insignificant. The calculated Pearson correlation coefficient between each pair of variables ranged within the range of 0.1 and 0.6.
- ✓ Based on the analysis of the results in the table above, it can be concluded that the

degree of correlation between the independent variables ranges between weak and moderate. This negates the existence of an autocorrelation problem between the independent study variables. To confirm the results of the correlation matrix calculation, the VIF inflation coefficient will be calculated.

✓ **Calculating the inflation coefficient VIF**

Table No. (12): Inflation Coefficient Test.

Independent variables	Linear overlap statistics	
	Tolerance	VIF
X1	0.342	2.927
X2	0.323	3.093
X3	0.754	1.326

Source: Prepared by the researchers using SPSS v23 outputs.

The table above shows the inflation coefficient values for each independent variable representing each variable in the current study. We observe from the table that the VIF inflation coefficient values for (X1, X2, X3) range between 2.927, 3.093, and 1.326, which are values less than 10. This indicates the absence of multicollinearity, meaning there is no linear overlap between the independent variables. This ensures a good estimate of the model and allows for the reliability of its results.

Furthermore, the Tol values, which represent the allowable variance, ranged between 0.38 and 0.7, thus confirming the absence of a high correlation between the independent variables.

Table No. (13): Perceptions of the study sample regarding the contribution of endowment investment to economic development

Second: Analyzing and discussing the results of the field study in light of the proposed hypotheses:

- 1- First hypothesis: Endowment investment contributes significantly and effectively to economic development**
- ✓ **Analysis of the results of the section on the contribution of endowment investment to economic development:** which consists of 10 questions that focus on understanding the relationship between endowment investment and economic development, as illustrated in the following figure:

Answer score	standard deviation	arithmetic mean	Survey statement	Number
Good	0.63734	4,2564	Endowment investment is classified as a strong pillar of the third solidarity economy.	1
Good	0,61471	4,1282	Endowment investment works to develop endowment properties and meet the financing needs of economic sectors.	2
Good	83286	3,8718	Endowment investment contributes to increasing public spending and reducing the exacerbation of state public expenditures.	3
Good	0,91398	3,8205	Endowment investment contributes to the redistribution of income and wealth.	4
Good	0,73104	4,3077	Endowment investment contributes to the establishment of small and medium-sized enterprises to alleviate unemployment and increase employment.	5
Good	0,78790	3,8974	Endowment investment contributes to reducing the costs resulting from inflationary financing.	6
Medium	0,83205	3,6923	Endowment investment plays an important role in strengthening infrastructure and developing industry.	7
Good	0,80064	4,2051	Endowment investment makes life easier for citizens by establishing public facilities.	8
Good	0,99459	3,8974	Endowment investment is not primarily concerned with financial profit, but rather with contributing to the economic stability of the country.	9
Good	0,85208	4,1026	Endowment funding for emerging institutions and innovative student ideas, and embodying them as investment projects.	10
	6,10933	39,3077	average of the first axis	

Source: Prepared by the researchers using SPSS v23 outputs.

- ✓ The table above shows the responses of the study participants regarding the economic development dimension. The overall mean and standard deviation for the statements in the first axis was 39.3077, indicating an acceptable level of agreement. This reflects a low standard deviation of 6.10933.
- ✓ The mean scores for items 5, 1, 8, and 2 were 4.3077, 4.2564, 4.2051, and 4.1282, respectively. Therefore, the level of agreement among the participants is acceptable.
- ✓ The mean scores for items 7, 4, and 6 were 3.6923, 3.8205, and 3.8974, respectively. These fall within the acceptable level of satisfaction, and it

can be said that the level of agreement is high, based on the five-point Lecart scale. The results of this axis show that the level of contribution of endowment investment to economic development ranges between average and good. This reflects the efforts of the endowment employees in performing their tasks well, with the exception of the seventh statement, whose arithmetic mean was 3.6923, which expresses the weakness of the contribution of endowment investment to strengthening the infrastructure and developing industry.

Therefore, the endowment administration must pay attention to investing in infrastructure projects to develop industry and drive the wheel of economic development. Accordingly, it can be said that the degree of contribution of endowment investment to economic development in this axis is acceptable.

- ✓ **Analysis of the results of the axis of the availability of financial and administrative independence in making investment decisions for endowment funds in the Diwan,** which consists of 10 questions that are shown in the following figure:

Table No. (14): Perceptions of the study sample regarding the availability of financial and administrative independence in making investment decisions for endowment funds in the Diwan.

Answer score	standard deviation	arithmetic mean	Survey statement	Number
Good	0.82717	4	Executive Decree 21-179 granted the Court sufficient independence to perform its duties and approve and implement its budgets.	1
Good	0.88472	3,8205	The expenditures allocated in the budget items are verified against the objectives set for the office.	2
Medium	0.75107	3,7436	The Diwan is keen to lease agricultural endowment lands and endowment shops for commercial, professional and craft use.	3
Good	0.90284	3,9744	The independence of the Diwan in preparing programs related to the exploitation, development and investment of endowment properties	4
Good	0.85840	4	Establishing the Diwan to create a database of endowment properties suitable for investment and development	5
Good	0.94233	3,8205	The Bureau conducts economic feasibility studies for targeted investment projects to reduce the risk level.	6

Good	0.87475	3,8462	The Diwan recovers the discovered endowment properties through legally available means, in coordination with the relevant authorities.	7
Good	0.93298	3,8462	The Bureau works to develop the capabilities of its employees, qualify them, and equip them with skills in diversifying into modern investment models.	8
middle	0.93080	3,7692	The Diwan is keen to train those responsible for investing endowment funds based on an annual training plan on contemporary and innovative forms of endowment investment.	9
middle	1,00873	3,6667	The Sharia Authority provides legal advice and assistance to the managers of the Board of Directors of the Diwan.	10
	4,87952	41,0769	average of the second axis	

Source: Prepared by the researchers using SPSSv23 outputs.

The table above shows the respondents' perceptions of the availability of financial and administrative independence in making investment decisions for endowment funds within the Diwan. The overall mean score for the third axis was 41.0769, indicating a generally acceptable level of satisfaction among respondents regarding this financial and administrative independence. This is further supported by a low standard deviation of 4.87952.

The mean scores for items three, nine, and ten were 3.7436, 3.7692, and 3.6667, respectively, reflecting a moderate level of agreement among the study participants. The mean score for the remaining items was 4, indicating a good level of agreement. The results of this axis show the availability of financial and administrative independence in making decisions to invest endowment funds in the Diwan, as Executive Decree 21-179 gave the Diwan sufficient independence to perform its tasks and approve and implement

its budgets, as it relies to a large extent on its internal revenues through investing its resources to spend on its operational expenses, in addition to the ability of the Diwan, in its official capacity, to bring in external resources, whether local or foreign, that qualify it to carry out endowment investment projects, which gives the Diwan financial independence.

However, the powers granted to the Diwan in appointing and promoting employees are not sufficient to ensure the neutrality of their performance and the non-interference of other parties, and also the absence of the Sharia body that provides advice and jurisprudential assistance to the managers of the Diwan's Board of Directors.

- ✓ **Analysis of the results of the axis of suitability and adequacy of the investment formulas for endowment funds used in the Diwan**, which consists of 10 questions, as shown in the following figure:

Table No. (15): Perceptions of the study sample regarding the suitability and adequacy of the investment methods for endowment funds used in the Diwan

Answer score	standard deviation	arithmetic mean	Survey statement	Number
Good	0.73930	4,0769	Investing endowment funds in legitimate ways appropriate to the type of money being endowed is in the interest of the endowment and its beneficiaries.	1
Good	0.85840	4	The Bureau selects the safest investment options and avoids high-risk investments.	2
Good	0.91176	3,8974	Balance and diversity in investment formats, maturities, and areas help reduce risks.	3
Medium	1,08418	3,3333	Traditional endowment investment methods such as regular leasing are sufficient and appropriate.	4
Good	0.77407	3,9231	Contemporary forms of endowment investment are numerous and generate returns that contribute to the development of endowment properties.	5
Medium	0.78188	3,6154	Contemporary forms of endowment investment are implemented within the strategic and operational plan of the Diwan.	6
Good	0.70854	3,8462	The establishment of endowment funds by the Diwan is an important pooling tool for endowment investment.	7
Medium	0.84173	3,7692	The Diwan's reliance on endowment contracts as a very important investment model for contemporary endowments	8
Good	0.83286	3,8718	The establishment of the Diwan for service-oriented endowments contributes to the development of tourism and hotel investment.	9
Good	1,00471	3,8718	Activating the Diwan's modern investment formulas strengthens the partnership with solidarity-based third-sector associations.	10
	6,87050	38,4872	average of the third axis	

Source: Prepared by the researchers using SPSS v23 outputs.

The table above shows the perceptions of the sample regarding the suitability and adequacy of the investment methods used by the Diwan for endowment funds. The overall mean score for the second axis was 38.4872, indicating a satisfactory level of agreement among the study sample regarding the suitability and adequacy of these investment methods. This is further supported by a low standard deviation of 6.87050.

The mean scores for items one, two, and five were 4.0769, 4, and 3.9231, respectively, reflecting a high level of agreement among the study sample.

The mean scores for items four, six, and eight were 3.3333, 3.6154, and 3.7692, respectively, indicating a moderate level of agreement among the study sample. The results of this axis show that the endowment investment formulas proposed by the Office are suitable and appropriate to the requirements of the present time, especially with the development of endowment investment formulas, especially service endowments, endowment funds and endowment enterprises to a moderate degree, to be an important source of financing for the National Office of Endowments and Zakat, in

addition to other endowment formulas, and reducing traditional endowment investment formulas such as ordinary leasing.

✓ **Analysis of the results of the axis of challenges facing the Diwan in activating**

Table No. (16): Perceptions of the study sample regarding the challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development.

the role of endowment investment to achieve the targeted development, which consists of 10 questions that are shown in the following figure:

Answer score	standard deviation	arithmetic mean	Survey statement	Number
Good	0.92863	3,9231	The Diwan is preparing awareness programs on the importance of endowment investment and the need to activate its modern forms to achieve economic and social development.	1
Medium	0.90209	3,7692	The Diwan acquired shares in financial institutions that invest endowments in accordance with applicable legislation and regulations.	2
Medium	1,06914	3,5897	Granting tax privileges to entities investing in endowments	3
Medium	0.69410	3,6923	Revoking all laws that conflict with the functions of the Diwan and updating rental values in accordance with the requirements of the real estate market.	4
Good	0.70663	4,0256	The Bureau adopted governance principles and defined responsibilities through oversight and transparency to improve performance.	5
Good	0.80735	4,0769	The Diwan relies on digitization in the processes of inventorying all endowment properties and updating the national card for public endowments.	6
Good	0.58663	4,1538	The Diwan is keen to develop the performance of those responsible for investing endowment funds, especially those with the most competence, distinction, faith, and dedication to the work.	7
Good	0.62774	4,0256	Separating the endowments and zakat sectors to achieve the desired developmental goals of the Diwan	8
Good	0.88700	3,9487	Concluding contracts and partnership agreements with leading national and international institutions related to the tasks of the Diwan	9
Good	0.78790	4,1026	Establishing provincial branches and annexes in order to improve the functioning and performance of the Diwan	10
average of the fourth axis				
6,35436	38,2051			

Source: Prepared by the researchers using SPSS v23 outputs.

The table above shows the respondents' perceptions of the challenges facing the Diwan in activating the role of endowment investment

to achieve the targeted development. The overall mean score for the second axis was 38.2051, indicating a satisfactory level of

satisfaction among respondents regarding the challenges facing the Diwan, as evidenced by the low standard deviation of 6.35436.

The mean score for each of the seven items was 4.1538, reflecting a high level of agreement among the study participants.

The mean scores for the remaining items ranged from 3.5897 to 4.1026, indicating a moderate to good level of agreement among the study participants. The results of this axis show that the level of satisfaction of the sample members regarding the challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development ranges between good average and this reflects the endowment's full performance towards the various fields of development, which indicates that there are clear indications

that the endowment in Algeria is facing some problems that prevent it from performing the role for which it was created, despite the new and independent establishment of the Diwan.

- ✓ **Studying the relationship between the contribution of endowment investment to economic development and the challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development, the suitability and adequacy of the investment formulas for endowment funds followed in the Diwan,**
- ✓ **Performing the test: SPSS23 software was used and the following outputs were obtained:**

Table No. (17): Summary of the relationship between the studies variables used.

Error standard de l'estimation	R-deux ajusté	R-deux	R	Modèle
4,71842	00,236	00,297	0.545 ^a	1

Source: Prepared by the researchers using SPSS v23 outputs.

According to the results of the table above, there is an acceptable correlation between the dependent variable, represented by endowment investment and economic development, and the other independent variables, which are: the availability of financial and administrative independence in making decisions regarding the investment of endowment funds in the Diwan, the suitability and adequacy of the investment formulas used in the Diwan, and the

challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development. The correlation coefficient was estimated at $R=0.545$, while the coefficient of determination was 0.297, meaning that the independent variables explain 29.7% of the variance in the opinions of the sample members, which is an acceptable percentage. Therefore, the model is good and acceptable

Table No. (18): Analysis of Variance ANOVA.

Modèle	Somme des carrés	ddl	Carré moyen	F	Sig .
1 Regression	328,521	3	109,507	4,919	0.006 ^b
Résidu	779,222	35	22,263		
Total	1107,744	38			

Source: Prepared by the researchers using SPSS v23 outputs.

Based on the outputs of the table above, it is shown that Fisher's value is $F=4.919$ and the level of statistical significance = 0.000, meaning that the p-value is $<5\%$. Since the

tabulated Fisher's value is less than the calculated value and the level of significance is less than 0.05, the model is statistically acceptable.

Table No. (19): Estimation of the parameters of the first model

Modèle	Coefficients are non-standardised		Standardized Coefficients	T	Sig .
	B	Ecart standard			
1 (Constante)	23,248	5,622		4,135	0,000
X1	0.396	0,191	0,504	2,079	0.045
X2	0.039	0.212	0.046	0,184	0,855
X3	-0.005	0,144	0.005	0.034	0,973

Source: Prepared by the researchers using SPSS v23 outputs.

Based on the results in the table above, the following regression equation was written:

$$Y = 23.248 + 0.396 x 1 + 0.039 x 2 - 0.005 x 3$$

According to the results in the table above, a positive and acceptable correlation exists between endowment investment and economic development, specifically with the independent variables (X1 and X2). This can be interpreted as follows: the greater the financial and administrative independence in making investment decisions for endowment funds within the Diwan, and the more suitable and efficient the investment models employed, the greater the contribution of endowment investment to economic development.

Regarding the third variable, which is the challenges facing the Diwan in activating the role of endowment investment to achieve the targeted development, the results showed an inverse relationship. This result can be interpreted as meaning that the fewer these challenges, the greater the contribution of

endowment investment to economic development.

We note that both variables X3 and X2 are not statistically significant at the 5% level. These results indicate that their impact on the contribution of endowment investment to social development is weak compared to the statistically significant variable X1. The decrease in the value of R2 can be explained by the fact that the dependent variable (endowment investment and economic development) is affected by a number of other factors that were not included in the model.

2- Second Hypothesis: There are statistically significant differences in the level of contribution of endowment investment to economic development according to the occupation variable.

Conducting the T-test: Using SPSS software, the following results were obtained:

Table No. (20): Test Results T.Test regarding the contribution of endowment to economic development and the occupation variable

Hypothesis of equal variances	Levene's test for equality of variances		T-test for equality of means		
	F	Sig .	T	Ddl	Sig (bilateral)
	0.670	0.420	0.983	29	0.334

Table No. (21): Characteristics of the study sample according to profession.

Job position	Sample number	arithmetic mean	standard deviation	middle Standard error
Endowment Trustee	14	41.0000	6.2757	1.6772
University professor	17	38.9412	5.3906	1.3074

Source: Prepared by the researchers using SPSS v23 outputs.

Source: Prepared by the researchers using SPSS v23 outputs.

The table above shows a difference in opinions and degree of agreement between the endowment agent and the university professor regarding the extent of endowment investment's contribution to economic development. This was confirmed by Levene's F-test, which yielded a value of 0.67, a non-significant value at the 5% significance level. The arithmetic mean for the endowment agent was 41 with a standard deviation of 6.275, a value close to the university professor's mean of 38.94 with a standard deviation of 5.39. Therefore, there are no statistically significant differences in the level of endowment investment's contribution to economic development according to the occupational variable (for the endowment Trustee and the university professor).

V.Results:

We arrived at a number of conclusions, which we will list below:

- Algeria is among the countries that have focused on investing endowments (waqf), benefiting from what it inherited from the Ottoman Empire. However, this still requires restructuring monetary endowments to achieve better developmental outcomes.
- Despite Algeria possessing a vast amount of endowment assets, the lack of attention to researching modern investment methods and the failure to utilize endowment investments are all due to legal, regulatory, and media-related reasons. This has resulted in the endowment portfolio in Algeria not extending beyond the rental of endowment properties. After examining the reality of endowments in Algeria and studying the case of the National Office for Endowments and Zakat as an independent endowment institution, we prepared a questionnaire to identify the mechanisms proposed in the study and implemented by the Office, and to understand

the various challenges it faces in achieving the desired development. From this:

- 1- Algeria can utilize its existing endowment wealth and employ the proposed mechanisms to activate the role of endowment investment, given its significant potential to contribute to both economic and social development;
- 2- Algeria possesses a substantial endowment fund, but the analytical study of the questionnaire revealed that the existing endowment investment models have a significant impact on development;
- 3- Using only one or two newly developed mechanisms is insufficient; diversifying these mechanisms will make the contribution of endowment investment more effective and beneficial to development.

VI- Conclusion:

The study concluded that the Waqf sector in Algeria today has not reached the required level commensurate with its potential, failing to develop even to the level it was at before the colonial period (especially during the Ottoman era). This is despite reform attempts and the arsenal of laws enacted by the authorities to reorganize and revitalize it. This is due to the weak institutional structure of the Waqf institution in Algeria today. Furthermore, the applied study concluded that changing the form of the Waqf would improve the role of the National Office of Endowments and Zakat, moving from the traditional to a modern form. Finally, we presented a vision for the role of the National Office of Endowments and Zakat in Algeria—a vision that is more promising with the adoption of modern Waqf investment models, transforming the Waqf into an efficient and progressive institution that meets the aspirations of society for sustainable development.

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