

# Integrating Social Entrepreneurship and Smallholder Agriculture: A Faith-Based Development Model for Financial Sustainability in Eastern Zambia

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## ABSTRACT

Faith-based organizations (FBOs) are among the most deeply embedded and socially trusted development actors in rural Sub-Saharan Africa; yet, their economic potential remains underexamined in development theory and empirical scholarship. While FBOs are frequently recognized for their contributions to education, health, and humanitarian assistance, limited attention has been given to their capacity to function as sustainable economic institutions capable of mobilizing local resources for long-term development financing. This study proposes a faith-based social entrepreneurship model that integrates smallholder agriculture with institutional financial sustainability and social welfare outcomes.

The paper focuses on the Eastern Province, Zambia, which is home to approximately 2.46 million people, including about 59,000 members of the Seventh-day Adventist Church. It examines how a structured outgrower scheme for soybeans and beans can strengthen institutional financial sustainability while also enhancing rural livelihoods and supporting orphans. Using a mixed-methods research design, the study integrates membership inventory analysis, institutional financial records, empirical agricultural production data from the 2025 farming season, and agricultural value chain theory to develop a scalable, biblically informed development model.

Empirical evidence shows that church members generate significant internally mobilized resources. In 2025 alone, tithe contributions from the 59,000-member base amounted to approximately ZMW 12.5 million (USD ~500,000), demonstrating the Church's capacity for sustained internal financing. The study argues that faith-based institutions with dense membership networks, moral legitimacy, and organizational infrastructure can function as credible development entrepreneurs rather than solely as charity-driven actors. It contributes to scholarship on inclusive agricultural development, faith-based social entrepreneurship, and sustainable financing models for religious institutions while offering donors and policymakers a replicable framework for aligning economic productivity with social protection in rural African contexts.

**Keywords:** faith-based organizations; social entrepreneurship; smallholder agriculture; out-grower schemes; financial sustainability.

## INTRODUCTION

Smallholder agriculture remains central to rural livelihoods in Sub-Saharan Africa, employing more than 60% of the population and contributing substantially to food security, income generation, and local economic stability (Food and Agriculture Organization of the United Nations, 2022; World Bank, 2023). Despite its importance, smallholder agriculture faces constraints: limited access to quality inputs, weak market integration, price volatility, and inadequate institutional support. These challenges are particularly pronounced in landlocked economies like Zambia (Sitko & Jayne, 2021).

In Zambia, agriculture contributes approximately 20% of gross domestic product and supports the majority of rural households, especially in Eastern Province, one of the country's most agriculturally productive regions. The province benefits from relatively favorable rainfall, fertile soils, and widespread cultivation of maize, soybeans, beans, sunflower, and groundnuts (Lubungu et al., 2019). Yet, many smallholder farmers remain trapped in low-value market segments, limiting income growth and resilience.

Alongside agriculture, faith-based organizations play a prominent role in social service provision, community organization, and moral leadership across rural Africa. Faith-based organizations often have extensive grassroots

networks, a long-term community presence, and high trust, which are crucial for effective development (Clarke & Ware, 2015; Tomalin, 2021). The Seventh-day Adventist Church exemplifies this institutional profile through its disciplined membership systems, established governance structures, and theological commitments to stewardship, self-reliance, and holistic development.

In Eastern Province, the Church operates within a population of approximately 2,462,682 people (2022 Census), with a membership base of about 59,000 distributed across 68,949 km<sup>2</sup>. This creates a unique concentration of organizational reach and economic participation. Nevertheless, church administrative units remain financially constrained, relying largely on tithes and offerings. This paper argues that integrating social entrepreneurship with smallholder agriculture, anchored in empirical membership and financial data, offers a viable pathway for enhancing institutional sustainability and addressing rural poverty and orphan vulnerability.

To address this gap, the study proposes a faith-based out-grower social enterprise model that integrates smallholder soybean and bean production with institutional financial sustainability. The model leverages the Church's organizational infrastructure, moral authority, and dense membership networks to coordinate production, aggregate output, stabilize incomes, and reinvest surplus into mission activities and orphan support. Subsequent sections elaborate the theoretical foundations, empirical evidence, and governance principles underpinning this model.

## Statement of the Problem

Faith-based organizations are recognized for their social service roles, but current development and ecclesiastical finance models assume they rely on external donor funding or uncoordinated member contributions. These assumptions overlook the deliberate mobilization of embedded productive capacities, particularly smallholder agriculture, through structured, value-chain-based mechanisms. Consequently, many faith-based institutions remain financially vulnerable despite operating within economically active constituencies, limiting both theoretical engagement and practical innovation in faith-based development finance.

In Eastern Province, Zambia, this contradiction is especially pronounced. Despite favorable agro-ecological conditions and a strong church institutional presence, administrative units face persistent financial constraints that restrict their ability to sustain mission activities, social welfare programs, and development initiatives. Heavy dependence on traditional ecclesiastical income streams constrains long-term planning and heightens exposure to economic shocks.

At the same time, a substantial proportion of church members are economically active smallholder farmers. However, their productive capacity remains fragmented and weakly integrated into structured value chains. Agricultural activities are largely individual, with small production volumes, limited bargaining power, and minimal surplus reinvestment, which constrains household incomes and institutional financial resilience.

This study addresses the absence of a structured, empirically grounded model through which faith-based institutions can mobilize their internal agricultural economic base. By integrating smallholder farming into a coordinated, value-chain framework, the study explores how faith-based institutions can generate sustainable financial resources and contribute more effectively to rural development and orphan support.

## Research Question and Objectives

### Research Question

Can an out-grower scheme for soybeans and beans, guided by biblical principles of stewardship and community development, enhance the financial sustainability of the Seventh-day Adventist Church in Eastern Zambia?

### Objectives

1. To assess financial sustainability challenges facing the Church using membership and economic activity profiles.

2. To design a faith-based out-grower scheme grounded in social entrepreneurship and smallholder agriculture principles.
3. To evaluate the potential economic, social, and institutional impacts of the proposed model on rural livelihoods and orphan support.

### **Significance of the Study**

This study is significant in three interrelated respects: theoretical, empirical, and policy-practical.

#### **Theoretical Significance**

The study extends social entrepreneurship and agricultural value-chain scholarship into faith-based institutional contexts, challenging dominant portrayals of faith-based organizations (FBOs) as primarily charitable or service-delivery actors. It demonstrates how FBOs can function as development entrepreneurs embedded in local economies (Doherty et al., 2019; Tomalin, 2021).

#### **Empirical Significance**

By documenting internally generated tithe income of ZMW 12.5 million in 2025, the study provides rare empirical evidence from Eastern Zambia on the scale and consistency of local financial mobilization within a faith-based institution. This evidence establishes a concrete baseline for future longitudinal and comparative research on faith-based development finance.

#### **Policy and Practice Significance**

The study offers a policy-relevant, empirically grounded model through which faith-based institutions can mobilize internally embedded agricultural production as a sustainable financing mechanism. For donors and policymakers, the model aligns with localization and reduced donor-dependency agendas. For faith-based institutions, it provides a practical framework for leveraging internal economic assets to support institutional sustainability and social ministries, including orphan care and rural social protection.

### **Conceptual and Theoretical Foundations**

#### **Social Entrepreneurship and Faith-Based Development**

Social entrepreneurship refers to the application of market-based mechanisms to address social problems while maintaining financial viability and organizational sustainability (Dees, 2017). Within development contexts, social enterprises are increasingly promoted as alternatives to donor-dependent interventions, offering pathways to strengthen local ownership, reduce reliance on external aid, and generate durable revenue streams that support long-term social missions (Doherty, Haugh, & Lyon, 2019). Empirical research demonstrates that successful social enterprises balance commercial discipline, such as market identification, cost control, and value capture, with explicit social objectives and governance arrangements designed to safeguard mission integrity (Mair & Martí, 2006; Doherty et al., 2019).

Faith-based social entrepreneurship extends this model by embedding enterprise activities within religiously informed ethical frameworks, including stewardship, mutual responsibility, and preferential concern for the vulnerable. This integration enhances legitimacy, compliance, and collective action in community settings, particularly where religious institutions command high levels of trust (Clarke & Ware, 2015; Tomalin, 2021). In environments characterized by weak formal institutions and limited contract enforcement, the moral authority and dense social networks of faith-based organizations (FBOs) reduce transaction costs and monitoring burdens, enabling effective coordination of collective economic activities such as out-grower schemes, savings groups, and community-based finance initiatives (Putnam, 2000; Clarke, 2006). 2023; ElMajzoub et al., The COVID-19 pandemic further illustrates how faith actors used distinct governance and social capacities, such as communication networks, volunteer coordination, and adaptive service delivery, to enhance community resilience during systemic shocks (El-Majzoub et al., 2021; Jacinto et al., 2023).

Within the Seventh-day Adventist tradition, Ellen G. White provides a clear theological rationale for enterprise, productivity, and institutional self-support when oriented toward mission and human welfare. She explicitly cautions against development approaches that foster dependency and erode dignity:

“The continual distribution of charity to the poor... tends to make them shiftless, inefficient, and wanting in self-respect.” (White, 1905/1948, p. 195)

White further insists that church institutions must be economically disciplined, productive, and resilient rather than financially fragile:

“God designs that the institutions established by His people shall stand as monuments of industry, economy, and wise management.” (White, 1902/1946, p. 148)

These statements closely align with contemporary critiques of aid dependency and support enterprise-based development models that emphasize productivity, accountability, and reinvestment.

At the same time, the literature cautions that embedding entrepreneurial activity within faith institutions requires deliberate institutional design to mitigate the risks of mission drift and elite capture. Studies of hybrid organizations show that governance arrangements characterized by clear reporting lines, ring-fenced social mandates for surplus allocation, and participatory accountability mechanisms are associated with greater sustainability and reduced dilution of social purpose (Doherty et al., 2019; Murithi, Ndunge, & Njiraini, 2024). Agricultural value-chain interventions indicate that when faith-based initiatives combine trust-based coordination with robust technical services, such as access to quality inputs, extension support, and quality assurance, smallholders gain productivity and income, stabilizing local contribution systems and institutional revenues (Ton et al., 2018; Siamabele & Manda, 2024).

White places agriculture at the center of a sustainable mission, particularly in rural contexts, grounding economic activity in both creation theology and institutional resilience.

“The cultivation of the soil is the work that God appointed to man in Eden.”(White, 1903/1948, p. 87)

She explicitly links productive agriculture to reduced dependency and enhanced institutional sustainability.

“If those connected with our institutions would cultivate the land, they would not be so dependent upon outside resources.”(White, 1904/1948, p. 214)

Crucially, White also emphasizes that the surplus generated through productive activity carries a moral obligation toward social welfare.

“The Lord has made His people stewards of means to be used in blessing the suffering and the needy.”(White, 1898/1948, p. 27)

Taken together, this body of literature suggests that faith-based social entrepreneurship constitutes a promising hybrid development model. It leverages moral capital and social networks to organize production and market participation while employing enterprise mechanisms to generate sustainable finance for social programs. In the context of Eastern Zambia, this theoretical synthesis supports the plausibility of a church-led out-grower social enterprise capable of simultaneously raising household incomes and securing institutional financing for community services, including orphan and vulnerable children.

### **Contract Farming and Out-Grower Schemes**

Out-grower and contract-farming schemes link small producers to buyers, such as processors, traders, cooperatives, or social enterprises, through formal or informal agreements governing production and marketing. These schemes typically bundle four core services for participating farmers: (1) timely access to quality inputs (improved seed and fertilizer), (2) agronomic extension and technical support, (3) finance or input credit, and (4) assured market off-take at pre-agreed prices or transparent price-setting mechanisms (Ton et al., 2018; 3ie,

2019). By reducing information asymmetries and transaction costs, contract farming can facilitate market participation for smallholders who would otherwise remain excluded from higher-value chains.

For legumes such as soybeans and common beans, out-grower arrangements are particularly attractive. These crops are responsive to improved seed and agronomic practices, have relatively well-developed regional and international markets, and offer opportunities for value addition. Empirical studies show that structured contracting reduces price risk, encourages the adoption of productivity-enhancing technologies, and enables farmers to capture higher margins associated with quality, aggregation, and volume (Barrett et al., 2012; Siamabele & Manda, 2024). In the Zambian context, soybean contract schemes have been associated with improved yields, increased cash income, and greater integration of smallholders into commercial markets, although outcomes vary widely by scheme design and implementation quality.

Systematic reviews and multi-country evidence indicate that contract farming often raises smallholder incomes and can contribute to improved food security, but impacts are heterogeneous and strongly conditional on institutional design and local context (Ton et al., 2018). Key success factors include transparent and enforceable contract terms, timely delivery of inputs, effective aggregation and post-harvest logistics, and mechanisms for managing price and production risk (Ncube, 2020). Where these elements are present, studies report meaningful gains in productivity and income; where they are absent, farmers frequently experience delayed inputs or payments, quality disputes, side-selling, and unequal bargaining power that erode expected benefits (Barrett et al., 2012; Ruml, 2021).

Institutional governance, therefore, remains a decisive determinant of outcomes in out-grower schemes. Good governance entails clearly defined rights and responsibilities, inclusive producer representation, accessible grievance-redress mechanisms, and, where feasible, third-party monitoring to enhance transparency and accountability (Ton et al., 2018). Conversely, weak governance structures heighten the risk of elite capture by buyers or intermediaries, increase transaction costs, and disproportionately expose poorer or less-informed farmers to exploitation (Ncube, 2020). In contexts characterized by limited contract enforcement capacity, social capital and trusted intermediaries can play a critical role. Faith-based organizations, in particular, often possess moral authority, dense social networks, and long-term community embeddedness that reduce enforcement costs, improve compliance, and facilitate collective action for quality control and market negotiation (Clarke & Ware, 2015; Tomalin, 2021).

Within the Seventh-day Adventist theological tradition, these governance principles find strong normative support in the writings of Ellen G. White consistently emphasizes fairness, transparency, and justice in economic relations, ethical foundations essential for equitable contract farming arrangements. “Strict integrity should be cherished. One ounce of equity is worth a pound of policy.”(White, 1903/1948, p. 113)

“The principles of justice are to be carried into all the details of life.” (White, 1890/1952, p. 159)

Such statements resonate closely with contemporary governance prescriptions in agricultural value-chain literature, reinforcing the argument that faith-based institutions can provide not only coordination capacity but also ethical discipline in contractual relationships.

White also places agriculture at the center of sustainable mission and institutional resilience, particularly in rural contexts:

“The cultivation of the soil is the work that God appointed to man in Eden.”(White, 1903/1948, p. 87)

She explicitly links productive agriculture to reduced dependency and strengthened institutional sustainability:

“If those connected with our institutions would cultivate the land, they would not be so dependent upon outside resources.”(White, 1904/1948, p. 214)

These insights reinforce the logic of faith-based out-grower models as instruments not only for livelihood improvement but also for stabilizing institutional finance and enabling sustained social protection, including support for orphans and vulnerable households.

Finally, risk and resilience considerations must be central to contract design. Price volatility, climatic shocks, and input-supply disruptions are persistent features of smallholder agriculture. Schemes that incorporate risksharing mechanisms, such as price floors, crop insurance linkages, buffer stocks, and diversified crop portfolios, are more likely to achieve long-term sustainability (Ton et al., 2018; Siamabele & Manda, 2024). For faith-based out-grower models, the combination of moral authority, robust governance structures, and formal risk-mitigation instruments generates a promising hybrid. This hybrid is capable of enhancing farmer welfare while simultaneously strengthening institutional financial resilience.

## **Biblical Stewardship and Development**

Biblical stewardship constitutes a foundational theological framework that understands human beings not as absolute owners of resources, but as entrusted managers accountable to God and responsible to the wider community. Rooted in the creation mandate, stewardship emphasizes responsible care, productive use, and moral accountability for resources held in trust (Genesis 2:15). This understanding is reinforced in the parable of the talents (Matthew 25:14–30), where faithfulness is evaluated not by possession or accumulation, but by prudent management, productive multiplication, and accountability for outcomes. Within biblical ethics, stewardship, therefore, entails both moral responsibility and active engagement in value creation rather than passive preservation.

When translated into development discourse, biblical stewardship aligns closely with contemporary principles of sustainability, reinvestment, and social accountability. Rather than encouraging short-term consumption or extractive exploitation of resources, stewardship prioritizes long-term productivity, intergenerational equity, and the reinvestment of surplus for communal well-being (Myers, 2011; Swart & Renders, 2020). These emphases resonate strongly with sustainable development frameworks that foreground resilience, local ownership, and responsible management of financial, natural, and social capital (UNDP, 2023).

Recent scholarship increasingly recognizes theology as an analytically legitimate lens for understanding faithbased development practice, particularly in contexts where religious values shape economic behavior, institutional governance, and resource allocation (Rakodi, 2015; Tomalin, 2021). Stewardship ethics influence how faith-based organizations mobilize resources, manage surplus, enforce accountability, and prioritize vulnerable populations. Empirical studies suggest that faith-informed stewardship norms can strengthen financial discipline, enhance transparency, and reinforce collective responsibility within faith-based institutions, thereby reducing the risks of elite capture and mission drift and supporting long-term institutional sustainability (Clarke, 2013; Swart & Renders, 2020).

Importantly, biblical stewardship reframes development finance not as external charity but as the ethical mobilization, multiplication, and reinvestment of locally available resources. Within agrarian settings, this translates into encouraging productive livelihoods, reinvesting agricultural surplus, and channeling economic gains toward social protection, including care for orphans and vulnerable households (Myers, 2011). In this sense, stewardship provides a moral rationale for integrating smallholder agriculture with institutional sustainability: economic activity becomes an expression of faithfulness rather than a departure from spiritual mission.

For faith-based social entrepreneurship, stewardship functions as a unifying normative framework that links economic productivity with social purpose. It legitimizes profit generation insofar as surplus is transparently governed and deliberately directed toward communal benefit, aligning closely with hybrid organizational models that pursue both financial viability and social impact (Doherty et al., 2019). Consequently, biblical stewardship not only complements development theory but also offers a culturally resonant and ethically grounded foundation for sustainable, locally financed development initiatives in Sub-Saharan Africa.

Within the Seventh-day Adventist theological tradition, Ellen G. White articulates a robust theology of stewardship that closely parallels these development insights. She emphasizes that all resources are held in trust and must be managed with wisdom and accountability:

“All that men possess belongs to God. He has made them His stewards, and He requires them to use His goods wisely.”(White, 1900/1948, p. 325)

Crucially, White links stewardship not to hoarding or passive preservation, but to productive multiplication:

“Money is a talent to be used, not to be hoarded.”(White, 1900/1948, p. 343)

This perspective provides strong theological justification for enterprise-based development approaches that mobilize internal resources rather than relying predominantly on external aid. At the same time, White insists that surplus generated through productive activity carries an explicit social obligation:

“The Lord has made His people stewards of means to be used in blessing the suffering and the needy.”(White, 1898/1948, p. 27)

Together, these theological insights reinforce the argument that faith-based development finance should be internally generated, productively invested, and intentionally directed toward social protection. Biblical stewardship thus undergirds the integration of smallholder agriculture, social entrepreneurship, and institutional sustainability, providing both an ethical compass and a practical framework for development practice in rural African contexts.

## METHODOLOGY

### Research Design

This study adopts a **mixed-methods case study design**, which is particularly well-suited for examining complex institutional, economic, and social systems operating within real-life contexts (Creswell & Plano Clark, 2018; Yin, 2018). The case study approach allows for in-depth exploration of how a faith-based institution mobilizes internal economic resources, while the mixed-methods strategy enables the integration of quantitative financial and production data with qualitative institutional insights.

The rationale for using a mixed-methods design lies in the dual nature of the research problem. On one hand, assessing financial sustainability and agricultural performance requires quantitative analysis of membership profiles, tithe income, and production outputs. On the other hand, understanding governance structures, stewardship practices, and reinvestment priorities necessitates qualitative inquiry into institutional decisionmaking and stakeholder perspectives. Combining these approaches strengthens analytical depth and enhances the credibility of findings through triangulation (Bryman, 2016; Creswell & Creswell, 2018).

The study is exploratory and explanatory in orientation. Exploratory analysis is used to document the scale and structure of existing financial and agricultural activity within the Church, while explanatory analysis examines how social entrepreneurship and out-grower arrangements may enhance institutional sustainability and social outcomes.

### Case Selection and Study Context

The case selected for this study is the Seventh-day Adventist Church administrative unit operating in Eastern Province, Zambia. This case is analytically appropriate for three reasons. First, the Church has a large and well-documented membership base (approximately 59,000 members), allowing for systematic analysis of internal economic participation. Second, a substantial proportion of members are engaged in smallholder agriculture, creating a direct link between livelihoods and institutional finance. Third, the Church operates an established tithe system, providing a rare opportunity to examine internally generated, faith-based financial flows as a component of development financing.

Following Yin (2018), the case is treated as a **critical and revelatory case**, offering insights into an underexamined phenomenon: the role of faith-based institutions as development entrepreneurs rather than solely as service providers or aid implementers.

### Data Sources

Four primary data sources were utilized to ensure methodological rigor and triangulation:

## Membership inventory records

Internal administrative records were analyzed to document membership size and economic activity categories, including smallholder farmers, salaried workers, and entrepreneurs. These records provided the basis for estimating the productive and financial capacity of the Church's internal constituency.

## Institutional financial records (2025)

Financial reports documenting tithe income for the 2025 fiscal year were reviewed to assess the scale, consistency, and per-capita contribution of internal revenue flows. Tithe income was treated as a key indicator of institutional financial sustainability and member economic participation.

## Agricultural production data (2025 farming season)

Production records from church-affiliated smallholder farmers were analyzed, including crop volumes for maize, soybeans, sunflowers, and groundnuts. These data were used to estimate aggregate output, gross value, and baseline productivity under existing coordination arrangements.

## Key informant interviews:

Semi-structured interviews were conducted with church administrators, farmer leaders, and development practitioners. These interviews explored governance arrangements, coordination mechanisms, stewardship practices, perceived benefits, and challenges related to agricultural organization and financial reinvestment.

Using multiple data sources reduces the risk of measurement bias and enhances construct validity (Yin, 2018).

## Data Analysis Procedures

Quantitative data from membership inventories, financial records, and production reports were analyzed using **descriptive statistical techniques**, including totals, averages, and ratios. These analyses were used to calculate per-member tithe contributions, per-farmer gross production values, and institutional surplus estimates.

Conservative assumptions regarding exchange rates and net margins were applied to avoid overstating financial performance, in line with best practices in development finance analysis (Ton et al., 2018).

Qualitative interview data were analyzed using **thematic analysis**, following the six-phase approach outlined by Braun and Clarke (2006). Transcripts were coded inductively to identify recurring themes related to stewardship, trust, coordination, accountability, and reinvestment. These themes were then interpreted in relation to social entrepreneurship and value chain theory.

## Analytical Framework and Rigor

The analysis is guided by an integrated framework drawing on:

- ★ **Social entrepreneurship theory**, to examine hybrid economic–social objectives (Dees, 2017; Doherty et al., 2019);
- ★ **Value chain and out-grower scheme analysis**, to assess coordination and market integration (Ton et al., 2018);
- ★ **Faith-based stewardship ethics**, to interpret governance and reinvestment decisions (Swart & Renders, 2020).

Methodological rigor was enhanced through triangulation of data sources, transparent analytical assumptions, and alignment with established qualitative and quantitative research standards (Creswell & Plano Clark, 2018). While the single-case design limits statistical generalizability, the study offers **analytical generalization**, providing theoretically transferable insights relevant to other faith-based institutions operating in agrarian contexts (Yin, 2018).

## Empirical Findings: Financial and Agricultural Capacity

### Membership and Economic Activity Profile

Analysis of internal membership inventory records reveals that the Seventh-day Adventist Church in Eastern Zambia constitutes not only a religious community but also a sizable economic constituency. Of the approximately 59,000 registered members, a substantial proportion are directly engaged in income-generating activities. Specifically, the membership profile indicates that:

□ **4,020 members** are engaged in **smallholder agriculture**,

★ **800 members** are employed as **salaried workers** in public or private institutions, and

★ **320 members** operate as **entrepreneurs or traders**, primarily in small-scale commerce and agri-related enterprises.

This distribution indicates that over **5,000 members** are economically active, with smallholder farming representing the dominant livelihood strategy. From a development perspective, this concentration is significant. Smallholder farmers are not only the primary contributors to household food security in rural Zambia but also key actors in local markets and institutional finance through faith-based contribution systems (Sitko & Jayne, 2021; FAO, 2022).

The prominence of agriculture within the membership base suggests that the Church's financial sustainability is closely intertwined with agricultural performance. As argued in livelihood and institutional economics literature, organizations embedded in agrarian contexts derive resilience not merely from organizational discipline, but from the productive capacity of their members (Scoones, 2009; Barrett et al., 2021). Consequently, any strategy aimed at strengthening institutional finance must engage directly with agricultural livelihoods rather than treating them as peripheral.

### Clarification of Empirical Financial Evidence (2025)

Institutional financial records for the 2025 fiscal year indicate that the Church generated approximately **ZMW 12,500,000 in tithe income**, contributed internally by its **59,000-member** constituency. Tithes represent a structured and theologically mandated contribution system within the Seventh-day Adventist Church, typically calculated as a fixed proportion of members' income. As such, tithe income provides a particularly robust indicator of both economic participation and institutional trust.

When disaggregated, the recorded tithe income corresponds to an **average annual contribution of approximately ZMW 212 per member**. While modest at the individual level, the aggregate figure demonstrates the substantial financial capacity generated through broad-based participation rather than dependence on a small group of high-income contributors. This pattern aligns with scholarship emphasizing the cumulative power of collective action and socially embedded financial systems in rural development contexts (Putnam, 2000; Clarke & Ware, 2015).

From a development economics perspective, this tithe stream constitutes a form of **locally generated, recurrent financial capital**. Unlike donor funding, it is not externally conditioned, time-bound, or projectspecific. Instead, it is socially embedded, predictable, and sustained by moral obligation and institutional legitimacy. However, such internally generated revenue is inherently sensitive to fluctuations in member livelihoods. In agrarian economies, income shocks resulting from climate variability, price instability, or crop failure can directly undermine contribution capacity (World Bank, 2023).

These findings suggest that while the Church already operates as a financially active institution, its long-term sustainability is structurally linked to the economic resilience of its predominantly agrarian membership. Strengthening agricultural livelihoods is therefore not ancillary to institutional finance but central to its durability and growth.

## DISCUSSION

The documented tithe income of **ZMW 12,500,000 in 2025** provides compelling empirical evidence that faith-based institutions can function as **large-scale, internally financed organizations**. This challenges prevailing assumptions in development literature that frame faith-based organizations primarily as aid-dependent or charity-oriented actors (Tomalin, 2021). Instead, the findings align with emerging scholarship that recognizes FBOs as economically consequential institutions embedded in local production systems (Clarke & Ware, 2015).

However, contribution-based financing systems are only as resilient as the economic stability of contributors. In agrarian contexts such as Eastern Zambia, where a majority of members derive their livelihoods from smallholder farming, institutional financial sustainability is directly contingent upon agricultural performance. Periods of drought, market collapse, or input scarcity can reduce household incomes and, by extension, weaken institutional revenue flows (Sitko & Jayne, 2021; FAO, 2022).

Integrating social entrepreneurship with smallholder agriculture, therefore, functions as a **risk-mitigation and income-stabilization strategy** rather than a departure from faith-based financing traditions. By organizing farmers into structured out-grower schemes, improving access to inputs and markets, and enhancing productivity, the Church can strengthen member incomes and stabilize the economic base that underpins tithe contributions. This creates a **mutually reinforcing cycle** in which livelihood improvement supports institutional sustainability, and institutional coordination supports livelihood enhancement.

Importantly, this approach reframes social entrepreneurship not as a substitute for faith-based giving, but as a mechanism that **protects and amplifies** it. By embedding economic coordination within trusted moral and organizational frameworks, the Church lowers transaction costs, enhances compliance, and aligns economic activity with social and theological objectives (Doherty et al., 2019; Swart & Renders, 2020).

In this sense, the proposed model contributes to a growing body of evidence suggesting that sustainable development in rural Africa is most effective when economic productivity, institutional finance, and social protection are treated as interdependent rather than separate domains.

## CONCLUSION

This study demonstrates that faith-based institutions, when strategically engaged through social entrepreneurship and smallholder agriculture, can play a decisive role in advancing financial sustainability while simultaneously contributing to rural development and social protection. Drawing on empirical evidence from Eastern Zambia, the analysis shows that the Seventh-day Adventist Church already operates as a financially significant institution, supported by a disciplined and participatory membership base of approximately 59,000 individuals. The internally generated tithe income of **ZMW 12.5 million in 2025** underscores the Church's capacity to mobilize substantial local resources through socially embedded, trust-based financial mechanisms.

Crucially, the findings reveal that institutional financial sustainability in agrarian contexts is inseparable from the economic stability of member livelihoods. With over 4,000 members engaged in smallholder agriculture, the Church's revenue base is directly linked to agricultural performance. The study, therefore, reframes agricultural development not as an auxiliary social activity but as a strategic pillar of institutional resilience. By strengthening smallholder productivity, market integration, and income stability through a structured outgrower scheme, the Church can protect and potentially expand the financial flows that sustain its mission, administrative functions, and social ministries, including orphan and vulnerable child support.

The proposed faith-based out-grower model contributes conceptually by extending social entrepreneurship and value-chain theories into the domain of religious institutions. It challenges dominant development narratives that cast faith-based organizations primarily as charity-driven or donor-dependent actors, demonstrating instead their potential to function as **development entrepreneurs** capable of organizing production, capturing value, and reinvesting surplus for social good. By embedding economic coordination within theological commitments to stewardship, accountability, and communal responsibility, the model leverages moral legitimacy and social capital as productive assets rather than treating them as merely normative attributes.

From a policy and practice perspective, the study offers a replicable, evidence-informed framework for donors, policymakers, and development practitioners seeking sustainable, locally grounded alternatives to externally financed interventions. The model aligns closely with contemporary development priorities on localization, sustainability, and reduced aid dependency while remaining sensitive to contextual realities in rural SubSaharan Africa. Importantly, it demonstrates that faith-based financing mechanisms, such as tithes, need not be displaced by market-oriented activities; rather, they can be stabilized and amplified through strategic engagement with productive sectors like agriculture.

While the study is limited to a single institutional case and a specific regional context, it establishes a strong empirical and conceptual foundation for future research. Longitudinal studies examining income dynamics, institutional resilience across agricultural cycles, and comparative analyses across faith traditions and regions would further strengthen the understanding of faith-based social entrepreneurship in development. Nevertheless, the evidence presented here affirms that faith-based institutions, when thoughtfully integrated into agricultural value chains, can serve as credible, sustainable, and transformative actors in rural development.

In conclusion, integrating social entrepreneurship with smallholder agriculture offers a viable pathway through which faith-based organizations can align economic productivity with institutional sustainability and social protection. In Eastern Zambia, the Seventh-day Adventist Church's demonstrated financial capacity and agricultural embeddedness position it as a catalyst for inclusive, locally anchored development illustrating that faith, when strategically mobilized, can function not as a barrier to development but as a powerful driver of sustainable transformation.

## Limitations and Future Research

### Limitations of the Study

**Several limitations should be acknowledged in interpreting the findings of this study.**

First, the research is based on a **single institutional case** drawn from the Seventh-day Adventist Church in Eastern Zambia. While this case is analytically rich and empirically grounded, it necessarily limits the generalizability of the findings. Faith-based organizations vary widely in governance structures, theological orientations, financial systems, and degrees of community embeddedness. Consequently, the proposed model may not be directly transferable to all faith traditions or institutional contexts without adaptation.

Second, the study relies primarily on **cross-sectional data from the 2025 fiscal and agricultural season**. Although the documented tithe income and agricultural participation provide strong empirical grounding, they capture institutional and livelihood dynamics at a single point in time. In agrarian contexts characterized by climate variability, price fluctuations, and health or economic shocks, single-year data may not fully reflect longer-term trends in income stability or institutional resilience.

Third, while the study integrates both quantitative and qualitative data, it does not employ **causal impact evaluation methods** such as randomized controlled trials or quasi-experimental designs. As a result, the analysis cannot definitively attribute changes in financial sustainability or livelihood outcomes to the proposed out-grower model. Instead, the findings should be interpreted as demonstrating **plausible institutional linkages and economic potential**, rather than causal effects.

Fourth, the agricultural production data reflect **aggregated output and value estimates** rather than disaggregated household-level cost and profit data. Conservative margin assumptions were based on regional studies, but detailed farm-level cost structures like labor inputs, land access, gendered labor dynamics, and risk exposure, were outside this study's scope. These factors may significantly influence net income outcomes for individual farmers.

Finally, the study focuses primarily on **institutional and economic dimensions** of sustainability, giving less explicit attention to potential social tensions or exclusion risks. For example, not all church members are farmers, and participation in out-grower schemes may create uneven benefits across congregations, gender groups, or socio-economic strata if not carefully governed.

## Directions for Future Research

### Building on these limitations, several avenues for future research emerge.

First, **longitudinal studies** are needed to assess how faith-based agricultural social enterprise models perform over multiple agricultural seasons. Such research could examine income volatility, resilience to climate shocks, and the stability of institutional revenue streams over time, thereby strengthening claims about sustainability.

Second, **comparative research across faith traditions and regions** would enhance theoretical generalization. Comparative studies involving different denominations, religious traditions, or countries could illuminate how variations in theology, governance, and social capital influence the effectiveness of faith-based social entrepreneurship models.

Third, future studies should incorporate **household-level economic analysis**, including detailed cost–benefit assessments, gender-disaggregated income effects, and labor allocation. This would allow for more precise measurement of livelihood impacts and help identify potential trade-offs between institutional sustainability and household welfare.

Fourth, there is scope for **rigorous impact evaluation** of faith-based out-grower schemes using quasiexperimental or experimental methods where feasible. Such designs could strengthen causal inference and provide stronger evidence for policymakers and donors considering replication or scale-up.

Fifth, future research should examine **governance and inclusion dynamics** within faith-based economic models. Questions of participation criteria, benefit-sharing mechanisms, transparency, and accountability deserve closer scrutiny to ensure that economic integration does not inadvertently reinforce inequality or exclusion.

Finally, interdisciplinary research that integrates **theological analysis, development economics, and organizational studies** would deepen understanding of how moral frameworks shape economic behavior and institutional decision-making. Such work could contribute to broader debates on the role of values, ethics, and belief systems in sustainable development.

### Concluding Reflection

Despite these limitations, the study provides a robust foundation for rethinking the economic role of faithbased institutions in rural development. By identifying both the potential and the boundaries of faith-based social entrepreneurship in agriculture, it invites further empirical and theoretical engagement with institutions that have long been central to African social life but remain underrepresented in development research.

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