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Faith-Based Crowdfunding and the Development of SMES In Africa

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ABSTRACT

Financial innovation has revived crowdfunding as a financing opportunity for SMEs worldwide. However, the impact of faith-based crowdfunding platforms as a tool for entrepreneurial growth and SME development in Africa remains underexplored. This study examined the impact of faith-based crowdfunding platforms on the development of SMEs in Africa. A desk review approach was adopted, drawing on social networking theory, Sen's capability approach and participatory development theory, signalling theory, and information asymmetry to underscore the leverage of faith-based crowdfunding platforms for SME financing and development. The study finds that faith-based crowdfunding has become a recipe for social sustainability and sustainable community development. Faith-based crowdfunding further promotes high ideals of trust, social welfare, collectivism, synergy, and philanthropy. In Africa, cultural heritage imbibed in the spirit of the "economy of affection" among East African countries, collective responsibility and self-help within communities (e.g., South Sudan and Nigeria), the spirit of "Ujamaa" for communal villagisation towards productivity in Tanzania, the spirit of "Harambee" for synergy and collaboration in Kenya, and the Emyooga and Parish Development Models in Uganda all point to the unique spirit of communal reciprocity and voluntary cooperation among community members. Therefore, the study recommends hybrid modes of crowdfunding platforms that are more localised, taking care of the African context including low levels of technology, but built on the synergy of networks and faith-based principles.

Introduction

Traditional crowdfunding models are characterised by the need for the power of language in the campaign narrative to sway lenders' decisions to support a particular loan. For example, expressing an entrepreneurial orientation has been shown to improve funding performance, while expression of a virtuous orientation may hurt funding performance (Anglin et al., 2023). Legal onlookers also argue that crowdfunding platforms create regulatory blind spots where unscrupulous project owners can exploit amateur investors (Conboy et al., 2020). Project owners' updates and communication often decrease significantly after initial fundraising, and backers can become increasingly hostile (Conboy et al., 2020). These crises and the self-interested spirit of other players in traditional crowdfunding platforms have sparked the need for faith as a catalyst in faith-based crowdfunding platforms to override the opportunistic spirit of other players.

MSMEs are the backbone of the economy in most developing countries. In Indonesia, for example, MSMEs contribute more than 60% to Gross Domestic Product (GDP) and employ around 97% of the workforce. However, despite their important role, MSMEs often face various structural challenges, including limited access to financing, minimal managerial training, and obstacles to global market penetration (Purno & Ayyasy, 2026). Small and Medium Enterprises (SMEs) are essential to Africa's economic development, accounting for 34% to 70% of GDP and up to 86% of employment (Ussif & Salifu, 2020). Furthermore, SMEs are breeding hubs for entrepreneurial skills, innovation, and job creation (Oyedokun & Ade, 2020). The SME sector is a socio-economic engine for alleviating poverty. Yet financing remains a critical challenge for SMEs. Some of the challenges that have affected SMEs' ability to obtain financing from traditional financing sources include the 2008 economic crisis, the COVID-19 pandemic, high collateral requirements by banks, and high interest rates.

A Swiss study of reward-based and donation-based crowdfunding platforms indicated that local religiosity results in cross-regional flow of resources, which is facilitated by mutual trust and enhanced social interactions among regions sharing the same religion (Di Pietro & Masciarelli, 2022). It is no wonder that local religiosity favours reward and donation-based crowdfunding given its inclination to philanthropy, charitable giving, and trust that embodies faith-based crowdfunding. In the United Kingdom, studying the impact of crowdfunding on innovation and growth opportunities of SMEs, the study uncovered that crowdfunding is positively and significantly associated with the growth of SMEs. The study proposed that crowdfunders could be more interested in SMEs pursuing a growth path (Eldridge et al., 2021).

Findings further indicate that motivation for crowdfunding is not only financial returns but also includes other non-financial motivations like local altruism in the local area of residence, individual social contexts, social environment, and institutional context. All these factors influence the social norms of individuals contributing towards a funding goal (Di Pietro & Masciarelli, 2022). Therefore, it is possible that if members of the same faith mobilise themselves toward socio-economic transformation, they can fundraise for resources for startups and SME growth. Findings further indicate that local religiosity positively influences the growth of entrepreneurial projects. It has been noted that individuals of the same primary religions, Catholic or Protestant, are more likely to share resources because of local trust. Furthermore, religions promote the development of social ties across regions, which influences the cross-regional flow of resources (DiPietro & Masciarelli, 2022).

Crowdfunding is modelled after crowdsourcing and microfinance; microfinance is generally considered a funding avenue for micro-enterprises. Regardless, microfinance institutions have failed on their part due to high interest rates (Mamaro & Sibindi, 2025). Crowdfunding enables entrepreneurs to collect finances in small amounts from many contributors via web-based portals or online platforms. Of these avenues, reward-based crowdfunding is the most popular in Africa, where its market and funding capacity grew from USD 11 billion to USD 419 billion in 2017 (Mamaro & Sibindi, 2025). Reward-based crowdfunding solicits funds from many contributors in exchange for monetary and non-monetary rewards (Mamaro & Sibindi, 2025).

Loan and reward-based crowdfunding were found to significantly influence small businesses in Lagos State, Nigeria (Akeem & Mudashiru, 2024). Furthermore, Diya (2021) and Akeem & Mudashiru (2024) assert that crowdfunding promotes business performance and productivity. Other prominent studies in Nigeria have asserted that crowdfunding has the potential to develop African countries by covering the deficit in financing SMEs caused by traditional financing options (Chimeruo et al., 2022).

In Africa, approximately 600 million people operate as micro-entrepreneurs (farmers, forest keepers, fishers or pastoralists, processing firms, artisanship, small ICT shops, to mention but a few). The majority of these micro-entrepreneurs operate in rural areas or semi-urban settings that are relatively isolated from markets due to lack of capital for infrastructural and further investments; therefore, they often produce for self-consumption and small exchanges within their communities. There exists a discomfort of these micro enterprises from integration with the global market system and creation of value to satisfy their customers and to make profits (Ojiagu et al., 2020). The study further indicates that the total crowd funding market for Africa-based platform raised about $32.3million, which indicates that it is still in its infancy stage in the region. Overall market potential in Sub-Sahara Africa is estimated at $2.5 billion by the World Bank by 2025. The share of the Middle East and North Africa Islamic Crowdfunding (ICF) amounts at present to about $5.5bn (Abdeldayem & Aldulaimi, 2023). Thus, statistics indicate that there is under usage of crowd funding alternatives by micro-entrepreneurs in Sub Sahara Africa, no doubt finance is low for any meaningful venture (Ojiagu et al., 2020).

Research suggests that individuals who provide donations to poor entrepreneurs or to institutions whose mission is to help poor entrepreneurs may do so out of religious motivations; this is evidence of faith and trust-based crowdfunding (Anglin et al., 2023). Likewise, lenders may respond positively to narratives framed as an opportunity to help someone and to language highlighting the entrepreneur's resilience, optimism, hope, and confidence (Anglin et al., 2023). Islamic crowdfunding was anticipated to solve SMEs' financing challenges through financing schemes like Zakat, cash Waqf, and Sadaqah. These schemes were thought to counteract the post-COVID-19 effects on SMEs in Indonesia (Sulaeman, 2020). Similarly, crowdfunding is a viable financing option for entrepreneurs and other forms of business; nevertheless, SMEs face challenges in attracting backers and lack technical know-how about crowdfunding. Yet, Islamic crowdfunding utilising Sharia law's careful approach to the selection of contracts and risk management strategies in crowdfunding has already proffered funding solutions to micro-enterprises (Ishak & Mohammad Nasir, 2024). Therefore, this study will examine faith-based crowdfunding platforms; furthermore, the study will also assess the likely impact of faith-based crowdfunding platforms on the development of SMEs in Africa based on theoretical underpinnings

Faith as a Cornerstone of Business

Biblically, faith is "the substance of things hoped for, the evidence of things not seen" (Hebrews 11:1 NKJV). Four key attributes of faith were identified as: focusing on beliefs, foundational meaning for life, living authentically in accordance with beliefs, and interrelating with self, others, and/or the Divine (Dyess, 2011). A value or ethic is a guiding principle or standard concerning what holds significance in an individual's life. Consequently, Christian values encompass the principles deemed significant by adherents of Jesus Christ—the moral precepts and teachings upheld by Jesus during His life (Nanthambwe, 2026). Christian values can be distilled from Paul's concept of the 'Fruit of the Spirit', delineated as 'love, joy, peace, patience, kindness, goodness, faithfulness, gentleness, and self-control' (Galatians 5:22–23). He further elaborates that within the Christian community, the belief is that these virtues are produced by the Spirit within believers, rather than through mere moral discipline of adhering to the law. Some Christian scholars propose that the term 'fruit' is singular to emphasise the Spirit's intention to cultivate a unified lifestyle rather than merely individual traits (Nanthambwe, 2026).

In Islam, brotherhood and unity are twin ideals that strengthen each other to preserve a human model of the Tawhid message on earth. Brotherhood provides the tie of love, affection, and concern in such a way that a believer sees a fellow believer similarly to how he sees himself in the mirror: he would desire for his fellow believer what he would want for himself (Muhammad et al., 2025). Business today is often marked by profit-maximising strategies, intense competition, and market-driven imperatives that seem to contradict the altruistic principles emphasised in Christian teachings. Nevertheless, the Bible provides numerous ethical guidelines that can serve as a moral compass for Christians involved in the business world. From the Old Testament's commandments about honesty in trade to the New Testament's teachings on serving others and pursuing justice, Scripture offers timeless wisdom on how to conduct business in a manner that glorifies God (Ante & Sutrisno, 2025). Christian ethics will not only provide moral clarity to business owners and employees but will also foster trust, goodwill, and a positive societal impact. The ultimate goal is to show that Christian business ethics is not merely about avoiding wrongdoing (Ante & Sutrisno, 2025). The following principles are key for conducting healthful business:

Integrity: means refusing to engage in fraud or bribes, keeping promises to clients and employees, and doing what is right even when it is costly (Sangwa & Mutabazi, n.d.). Proverbs 11:3 declares, "The integrity of the upright guides them, but the unfaithful are destroyed by their duplicity."

Stewardship: The Bible views material resources, wealth, and even authority as things entrusted by God to humans, who are stewards rather than absolute owners. Psalm 24:1 proclaims, "The earth is the Lord's and everything in it." Jesus's Parable of the Talents (Matthew 25:14–30) illustrates that we are accountable for how we use the resources and opportunities God gives us. It rejects both miserliness and waste. A steward mindset recognises that profitability and growth are good goals (they enable sustainability and create value), but they must be pursued in a way that honours God's priorities and purposes. This might mean reinvesting profits for constructive ends, avoiding reckless risk for short-term gain, and being transparent with investors (Sangwa & Mutabazi, n.d.).

Compassion extends to serving society: a Christian-informed business will not be indifferent to social problems but will seek to be part of the solution (through fair trade, community development, creation of beneficial products, etc.). This reflects the second great commandment of Scripture, "Love your neighbour as yourself" (Mark 12:31), applied in organisational life (Sangwa & Mutabazi, n.d.). "So, whatever you wish that others would do to you, do also to them" (Matthew 7:12) (Sangwa & Mutabazi, n.d.).

Faith Integration and Faith-Based Crowdfunding

(1) The Church is called not only to proclaim the Gospel verbally but also to manifest God's love through tangible actions that touch various aspects of people's lives, including poverty alleviation, social injustice, and economic inequality (Widiono et al., 2025).

(2) Well-organised micro-enterprises can serve as a forum to build congregational social solidarity and strengthen faith-based economic networks. Congregational communities can support each other in the form of church cooperatives, joint venture groups, and faith-based enterprise programmes. This principle is reflected in the life of the early church as recorded in Acts 2:44-45, where believers lived in fellowship and divided their possessions to meet common needs (Widiono et al., 2025).

(3) The Church as a spiritual and social institution has a strategic position in facilitating and mediating community-based economic empowerment programmes. The Church should be the centre of community life that not only provides spiritual ministry but also answers the practical

needs of the people. Socio-economic services such as entrepreneurship training, small business assistance, and the provision of access to capital sources are concrete forms of the Church's mission in realising the love of Christ in real life (Widiono et al., 2025).

Literature Review

Theoretical Review

Social networking theory assumes that SMEs and startups can leverage their social networks as a great channel of financing. Social networking theory is based on the ability of social networks to fund startups, project ideas, investments, and innovations. Social networks provide a form of social support, create opportunities, identify threats, and address resource issues. Furthermore, social networks influence business outcomes (Lynn et al., 2020). In line with the synergy of social networks, Sen (1999), through Amartya Sen's capability approach, postulates that real development should focus on expanding people's capabilities. Amartya Sen's Capability Approach and Participatory Development Theory underscore that programmes rooted in local participation and decentralised implementation are superior mechanisms for poverty reduction (Wasike, 2025). The framework of the capability approach argues that decentralised structures, such as those governing the Parish Development Model (PDM) in Uganda, are crucial because they ensure local ownership and better alignment between programme goals and community needs (Simon & Joseph, 2025). This study envisages crowdfunding platforms that are rooted in local contexts where faith-based members and religious affiliations are used to build synergies and enhance the capability of local entrepreneurs. This study advances hybrid modes of crowdfunding platforms that are more localised, taking care of the African context including low levels of technology but building on the synergy of networks and faith-based principles. Social networking advocates for synergy in faith-based crowdfunding, an idea that is akin to the African spirit of "Ujamaa" in Tanzania. Ujamaa is the Swahili word for extended family, the idea of collective farming and the "villagisation" of the countryside (Boddy-Evans, 2019). Ujamaa was a policy in Tanzania promoting collective farming and nationalising banks and industries. The policy aimed to recreate traditional societies by moving people from cities to new rural villages (Boddy-Evans, 2019). Social networking in crowdfunding also resonates with the spirit of "Harambee" in Kenya. Harambee is a Swahili term meaning "all pull together". It is a traditional Kenyan practice of community self-help events, such as fundraising or development activities (Bbosa, 2025).

Religious signalling reduces information asymmetry and builds trust among faith-driven investors, providing crucial insights for platforms that operate in markets without a formal Islamic finance framework (Yaş, 2026). Akerlof's theory of information asymmetry applies to market dynamics and the need for information transparency in fostering efficient markets (Bus et al., 2024). Spence (1973), in his theory, diagnoses the problems of information asymmetry by recommending signalling of productivity. Signalling theory describes behaviour between two parties: the sender and receiver of information. The use of media has been cited among the key social networks; this is because social media keeps all other parties updated about the progress of the startup. Backers can reduce information asymmetry through information sharing about a project (Courtney et al., 2017). Startups can also signal the viability of their startups through patents, signals about the underlying quality of the innovation, human capital, and financial forecasts could also be used by startups to signal the viability of the project to potential investors (Ahlers et al., 2015; Kuma & Yusoff, 2021).

The use of signalling through media is further amplified by Yang et al. (2020) and Dewi et al. (2024), who postulate that the usefulness of multimedia in crowdfunding campaigns is demonstrated by the enormous impact that videos can have on the success of fundraising efforts. Utilising social media platforms to promote crowdfunding projects can significantly boost donation activities, particularly during the early phases of a campaign. Faith-based promotional videos can serve as a powerful tool to promote corporate social responsibility (CSR) initiatives and raise awareness among religious communities; these promotional videos may in turn reduce information asymmetry that exists between investors and entrepreneurs and the community of faith which may utilise such trust and social ties inherent among a body of faith to do business. Religious videos can effectively convey the values and teachings of a particular religion, highlighting the importance of social responsibility and ethical business practices (Dewi et al., 2024).

Faith-Based Crowdfunding and the Development of SMEs

Crowdfunding involves investment and non-investment models, of which the non-investment models embrace donation and reward-based models, whereas the investment models embrace equity and lending-based crowdfunding. The non-investment models are driven by sociological factors, whereas the investment models are driven by economic factors, especially profit or returns on investment (Vik, 2023). However, a survey of literature has discovered another crucial variant of faith-based crowdfunding: religious prosocial crowdlending, which advocates for trust and rationality in crowdfunding. This variant is based on both sociological and economic factors (Vik, 2023). Religious prosocial crowdlending is a combination of lending and donations; it aligns with the religious crowdfunding ideals which are socio-economic factors-centred and poverty reduction. Prosocial crowdlending has a focus on socio-economic factors and a taste for religious inclination which is ideal for poverty reduction in the contemporary business environment that is plagued by avarice and selfishness.

The idea of charitable crowdfunding, where donations or contributions are made without expecting the possibility of receiving returns, is a variant of faith-based crowdfunding. A new wave of corporate social responsibility, volunteerism, and charity is slowly being infused into crowdfunding (Napiórkowska et al., 2025). This implies that if harnessed, faith-based crowdfunding can be a positive force not only for social sustainability but also in fostering entrepreneurial growth through funding operations and innovations of SMEs towards development.

Crowdfunding is built on a kindred spirit of DIW, "do it with others", not DIY, "do it yourself". One author has stated, "people tend to invest in projects to which they have emotional and social attraction" (Lawton & Mamron, 2012, as cited in Copeland, 2015, p.55). Indiegogo is a renowned crowdfunding platform for Christian communities funding missions and projects; it is anchored on the spirit of personal and emotional connections and gratitude among members of religious communities (Copeland, 2015). This scenario is typical of the power of brotherhood, love, and burden-bearing spirit of Christianity in sustaining entrepreneurship among members of the same faith.

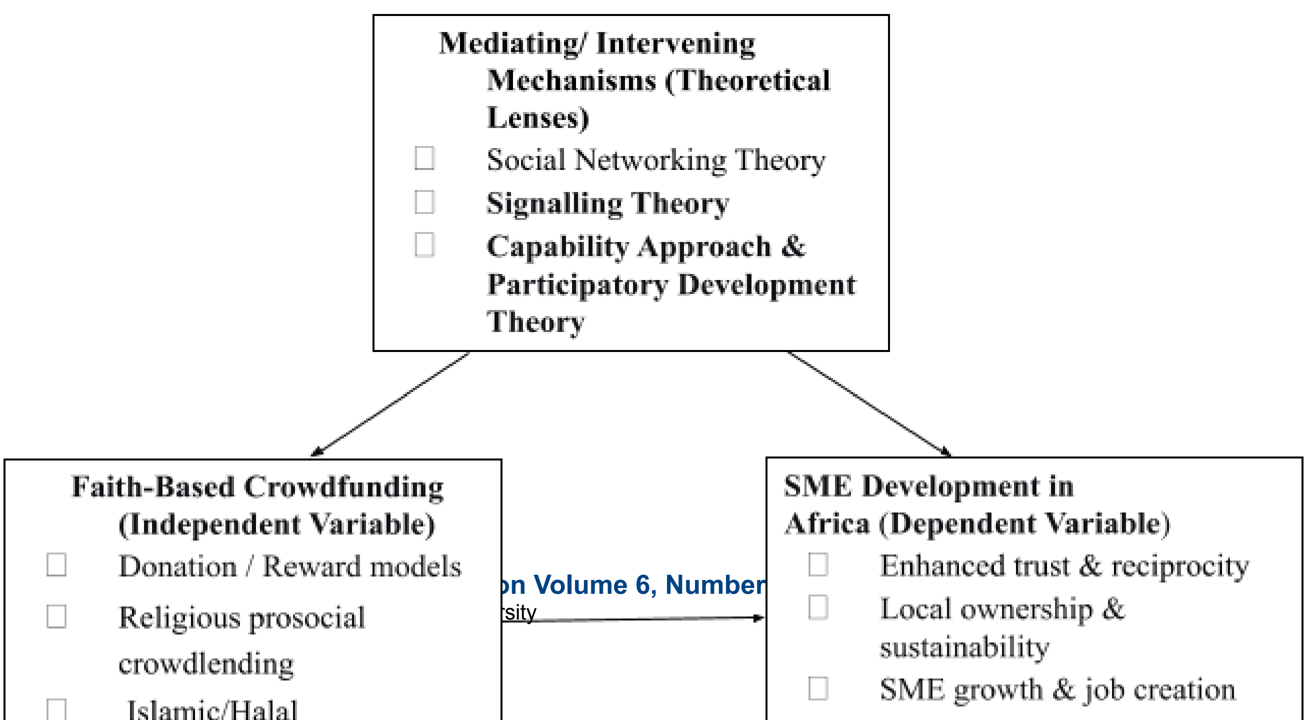
Borrowing a leaf from Indonesian Madrasah, which are public-private and faith-based schools, these schools adopted a community-based financing approach where finances are mobilised from students, the general community, education foundations, and other Muslim philanthropic resources. However, it is worth noting that the resources generated from these diverse sources are managed on faith-based principles of trust and ethical governance of transparency and accountability, which has resulted in the growth and development of Madrasah enterprises in Indonesia and a formidable model of community-based financing (Safriadi et al., 2025).

Islamic equity crowdfunding campaigns have higher success rates and attract larger amounts of funding due to the confirmation of the absence of involvement in riba (usury), which makes a positive contribution to campaign performance and success, funding volume, and investor participation (Yaş, 2026). Similarly, studies on equity mutual funds show that Islamic funds attract larger capital inflows than their conventional counterparts, as religious investors derive non-financial utility from aligning their portfolios with faith-based principles (Rao et al., 2016; Yaş et al., 2022; Yaş, 2026).

Religious loyalty, trust, and spiritual utility extend to investment behaviour, as religious investors are more likely to hold equity in firms characterised by religious expression, reflecting congruence between corporate identity and personal belief systems (Alqahtani & Boulanouar, 2017; Peifer, 2011; Yaş, 2026). Such behaviour is often value-driven, rather than solely performance-oriented, and might involve financial sacrifices. Indeed, religious investors might willingly incur a "piety premium," accepting lower expected returns in order to ensure alignment with their religious and moral commitments (Azmi et al., 2018). SMEs, most especially those of faith communities, can utilise this faith-based principle in raising funds for projects and entrepreneurs of the same faith. The principle of "piety premium" also aligns with the principle of non-financial utility which is deemed to be derived from alignment with religious principles. Similarly, studies on equity mutual funds show that Islamic funds attract larger capital inflows than their conventional counterparts, as religious investors derive non-financial utility from aligning their portfolios with faith-based principles (Rao et al., 2016; Yaş et al., 2022; Yaş, 2026).

The importance of religion in guiding entrepreneurs' actions or business practices may manifest as religious expression within the appeals. Entrepreneurship literature has shown that religion may influence both entrepreneurial intent and business performance in developing economies (Anglin et al., 2023). In addition, religious expression is associated with perceptions of trustworthiness, rule-following, and ethicality—qualities that would suggest an entrepreneur would likely avoid opportunistic behaviour and repay the loan.

Conceptual Model



Source (Researcher, 2026)

Explanation of Variables and Their Intersection with Faith

Independent Variable: Faith-Based Crowdfunding Platform

These are crowdfunding platforms (e.g., Indiegogo, Go FundMe, Islamic crowdfunding using Zakat/Waqf) that rely on religious principles such as trust, charity, prohibition of usury (riba), and community solidarity (Copeland, 2015; Yaş, 2026; Sulaeman, 2020; Di Pietro & Masciarelli, 2022).

Theoretical Mechanisms (How Faith Produces SME Development)

Social Networking Theory

- **Role**: Faith communities act as social networks that mobilize resources, provide support, and reduce transaction costs.
- **Intersection with Faith**: Churches, mosques, and religious groups create strong ties and mutual obligations, enabling "do it with others" (DIW) rather than "do it yourself" (DIY) (Lynn et al., 2020; Copeland, 2015).

Signalling Theory

- **Role**: Religious expression (e.g., Halal certification, Christian mission statements) signals trustworthiness, ethical behavior, and reduces information asymmetry between backers and entrepreneurs.
- **Intersection with Faith**: Religious investors perceive lower risk and may accept a "piety premium" (lower returns) for faith-aligned projects (Spence, 1973; Courtney et al., 2017; Yaş, 2026; Azmi et al., 2018).

Capability Approach & Participatory Development Theory

- **Role**: Development should expand people's capabilities through locally owned, participatory processes.
- **Intersection with Faith**: Faith-based crowdfunding rooted in local religious structures (e.g., Ujamaa in Tanzania, harambee in Kenya, economy of affection in East Africa) ensures grassroots participation and sustainable SME growth (Sen, 1999; Wasike, 2025; Simon & Joseph, 2025; Wolf, 2017).

Dependent Variable: SME Development in Africa

Measured by:

- Increased access to patient capital
- Entrepreneurial innovation and job creation
- Poverty reduction and community resilience
- Business performance and productivity

(World Bank, 2019; Akeem & Mudashiru, 2024; Ojiagu et al., 2020; Mamaro & Sibindi, 2025)

Summary of the Logic Chain

Faith-based crowdfunding activates **social networks** (trust & reciprocity) + **signalling** (reduced information asymmetry) + **participatory capabilities** (local ownership) → leading to **SME development** in Africa.

Methodology

The study employed a qualitative approach and desk review research design in understanding the relationship between crowdfunding and the development of SMEs in Africa. The study also followed a qualitative approach of synthesising findings and conclusions based on reliable publications in journal articles, conference proceedings, and reports. Findings are based on empirical findings and systematic reviews from different journals like SciSpace, Core, ResearchGate, Springer, and Emerald Insight.

The search criteria employed on the internet were "crowdfunding and the development of SMEs" or "the role of crowdfunding on the development of SMEs in Africa", "faith-based crowdfunding and development of SMEs in Africa", or "dimensions of faith-based crowdfunding".

Systematic Search Strategy (PRISMA Framework): A systematic literature search was conducted following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines for the period 2015–2026. Databases searched included Elsevier, Springer, Emerald Insight, Wiley, MDPI, SciSpace, Core, ResearchGate, and Google Scholar. Search strings included: "crowdfunding AND SME development", "faith-based crowdfunding AND Africa", "religious crowdfunding AND entrepreneurship", "prosocial crowdlending", and "Islamic crowdfunding AND SMEs". Of 1,247 initial records, 246 duplicates were removed. After title and abstract screening, 1,001 records were assessed, and 712 were excluded as off-topic, non-English, or inaccessible. Full-text review of 289 articles resulted in the exclusion of 69 due to lack of clear methodology, predatory journal status, or off-scope content. A total of 186 articles met the inclusion criteria and were synthesised qualitatively. Of these, 48 are directly cited in this manuscript.

The information collected and conclusions made have been presented in the form of discussions, evidence, recommendations, summary, and conclusion.

Inclusion and Exclusion Criteria

The study considered only articles that addressed entrepreneurship, economics, finance, and accounting in line with faith-based crowdfunding, prosocial crowdfunding, and religious entrepreneurship articles. Exclusion criteria included all articles outside entrepreneurship, economics, accounting, and business management. Furthermore, articles that did not address crowdfunding were also excluded from the study.

Quality Assurance (Reliability and Validity)

The study considered peer-reviewed articles, articles with digital object identifiers (DOIs) and ISSNs, which were uploaded into Mendeley reference manager to confirm the veracity of their ownership and credibility and to eliminate articles from predatory journals. The study also considered both empirical and literature review papers as long as they had a valid and clear methodology.

Data Analysis

The study applied document and content review by analysing relevant journal papers and conference papers that were reviewed for the study, which had been sourced from high-impact journals like Elsevier, Emerald Insight, SciSpace, and Wiley. The range of data search considered for the study spanned from 2015 to 2026. Furthermore, proper analysis of documents was done based on the objectives of the study and in line with the study variables. Themes were developed from the data reviewed, and proper synthesis was done to arrive at conclusions about the variables and theories that guided the study.

Ethical Considerations

The study ensured that all articles and citations in the work are properly referenced in line with the American Psychological Association (APA) style of reference. In addition, proper attribution of all sources, avoidance of selective citation bias, and accurate representation of findings without misrepresentation were maintained.

Discussions and Evidence

Empirical research shows that crowdfunding is shifting from a skewed and profit-centred mandate to a holistic approach that is anchored on social inclusion, social sustainability, and community development (Napiórkowska et al., 2025). Furthermore, crowdfunding platforms are getting involved in charitable giving, allowing easy and collective mobilisation of resources or funds. Moreover, social inclusion is practised by allowing individuals from diverse backgrounds and regions to fundraise towards goals that align with their social identity and social values. Faith-based crowdfunding has become a recipe for social sustainability and sustainable community development. These high ideals that patronise a spirit of trust, social welfare, collectivism, synergy, and philanthropy are reflections of faith-based crowdfunding. There are crowdfunding platforms which are already involved in this kind of work; examples are Indiegogo, GoFundMe, Crowdrise, Fundly, and Donors Choose.

Literature has uncovered another variant of faith-based crowdfunding which is religious prosocial crowdlending. This variant advocates for trust and rationality in crowdfunding; it is based on both sociological and economic factors. Religious prosocial crowdlending is a combination of lending and donations; it aligns with the religious crowdfunding ideals which are centred on socio-economic factors and poverty reduction (Vik, 2023). Prosocial crowdlending with its religious inclination is ideal for poverty reduction and overruns contemporary financing schemes that are plagued by avarice and selfishness. Faith-based crowdfunding models have infused synergy, value creation, and transparency into business models like Islamic Halal entrepreneurship which espouses Islamic values in business and prohibits unlawful business practices such as the sale of alcohol, drugs, usury, gambling, pornography, and business practices based on immoral practices. Yet Halal entrepreneurship views entrepreneurship as a collective obligation with the potential to meet societal needs and aspirations (Raimi & Raimi, 2024). The principle of "piety premium" and the principle of "non-financial utility" in the Muslim faith all have inherent potential for faith-based crowdfunding. Indiegogo is a type of faith-based crowdfunding platform that is known for Christian communities funding missions and projects; it espouses personal and emotional connections and gratitude among members of religious communities.

The principles embedded in faith-based crowdfunding platforms exemplify the power of brotherhood, love, and the burden-bearing spirit of Christianity in sustaining entrepreneurship among members of the same faith (Copeland, 2015). The theoretical underpinnings of social network theory and Amartya Sen's Capability Approach and Participatory Development Theory underscore the need for development of local capacity of entrepreneurs through leveraging the synergy of social networks, signalling, and faith-based principles. The following writers render the power of synergy inherent in African culture. For example, the noted Africanist and political scientist Göran Hydén introduced the notion of "the economy of affection," which has at its core the concept of social solidarity among peasant communities in East Africa (Wolf, 2017). The economy of affection is situated in the context of social considerations where favours are exchanged among members of the community. According to anthropologist Evans-Pritchard (1940), the Nuer in South Sudan and Ethiopia practise collective responsibility and self-help within their communities. The principle of self-help and collaboration is also prevalent among the Tiv in northern Nigeria, particularly in the Benue Valley (Bohannan, 1955; Wolf, 2017).

Other sub-Saharan cultures have different names for a similar concept. In Tanzania, Ujamaa is used in the Swahili language (Mbithi & Rasmusson, 1977). After Tanzania gained independence in 1961, the term Ujamaa was also used in a political sense, forming the underlying concept of the country's economic development policies. Crowdfunding is also deeply rooted in the community; it takes a crowd to have crowdfunding. One natural ingredient of crowdfunding is that of social reciprocity. Sub-Saharan cultures embody the spirit of communal reciprocity. Kenyan culture has lived on Harambee for centuries. Harambee is the provision of goods through the voluntary cooperation of members of the community (Wilson, 1992). Participatory Development Theory emphasises that genuine, sustainable development is achieved when beneficiaries are involved in the design, implementation, and evaluation of projects (Chambers, 1994; Cornwall, 2002; Kapoor, 2002; Banda, 2025; Simon & Joseph, 2025). The theory espouses that grassroots-driven models are expected to outperform centrally-managed, top-down initiatives. This study therefore confirms the need for hybrid crowdfunding models that build on community faith and religious affiliations so as to extend finance to local entrepreneurs, some of whom may not even be versed in technology, but because they are consolidated by the cohesive power of religion, they can champion project ideas that are seen and known to them at a local level.

Recommendation

The study recommends faith-based crowdfunding platforms that are rooted in local contexts where faith-based members and religious affiliations are used to build synergies and enhance the capability of local entrepreneurs. This study advances hybrid modes of crowdfunding platforms that are more localised, taking care of the African context including low levels of technology, but built on the synergy of networks and faith-based principles.

Conclusion and Summary

Faith-based crowdfunding is a mushrooming industry in financial innovation. It is based on local trust and religious beliefs across various denominations. Furthermore, it espouses sociological factors, economic factors, and a spirit of philanthropy. Among the key principles found to enhance faith-based crowdfunding are the principle of "piety premium" where investors derive satisfaction by lending at low interest rates, the "do it with others" principle, and the principle of "non-financial utility" derived from aligning with religious principles, mostly in the Muslim world. Faith-based crowdfunding also cuts across the African spirit of Ubuntu, Ujamaa in Tanzania, and Harambee in Kenya, whose principles led to economic development through the economy of affection.

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