Original Research Article

Promoting the growth of micro, small, and medium-sized enterprises using alternative financing model: Evidence from the Kimbanguist Church

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Kamitewoko Edwige
Marien Ngouabi University, Brazzaville, Republic of Congo

MSMEs (micro, small, and medium-sized enterprises) are the lifeblood of emerging economies. Despite their importance, they have limited access to funding. Given the recurring funding issue that small SMEs confront, the Congo government has made several interventions through recent monetary policy and banking sector changes. These have significantly expanded bank lending to the private sector while restricting access to borrowing. In light of this reality, this study employs data from the Laboratory of Analysis and Research in Economic and Social Research (LARES) to investigate the potential of "Nsinsani" as a financial inclusion instrument in order to draw inspiration from this fundraising model, which not only assists households in escaping poverty, but also encourages entrepreneurship and stimulates economic growth. It demonstrates that the "fervour of the Kimbanguist religion," as reflected in "Nsinsani," may encourage the accumulation of wealth required for enterprise creation, and therefore is likely to lead to Africa's and other regions of the world's growth. "Nsinsani" can solve the problem of insufficiency between the operation of the financial system and the aspirations of the public.

Keywords: MSMEs, Nsinsani, Kimbanguist Church, Entrepreneurship.

INTRODUCTION

This paper is a proposal for a plan conducted by the Kimbanguist Church through the “Nsinsani” to address the difficulties of access to credit for MSMEs in underdeveloped nations, particularly Congo.

Much of the economics literature has focused on the challenges that SMEs confront in operating and expanding their businesses. They have limited access to external funding, as well as greater transaction costs and risk premiums. (Chandra et al., 2020) In general, SMEs are said to be dissatisfied with their degree of access to finance and the costs associated with acquiring such funds when they are available. The seeming shortage of funding for MSMEs is not only stifling their expansion, severely hurting their survival and potential, but also the nation's economic progress. Saungweme (2018).

Given the recurring funding issue that these MSMEs confront, the Congo government has made several interventions through recent monetary policy and banking sector changes. These have significantly boosted bank lending to the private sector, but limited access to credit, high interest rates, and expensive collateral requirements continue to stymie the expansion of many MSME's. Access to medium to long-term funding, which is required for capital expenditure, remains limited (Dornel et al., 2020).

Conscious of this reality, as well as the fact that developing economies, such as Africa's, have somewhat robust institutional arrangements for financing MSMEs with significant results, this study proposes to use the Kimbanguist Church fundraising model known as Nsinsani to meet the true needs of these enterprises. This option must improve the possibility for long-term growth while also encouraging private initiative and
innovation to boost entrepreneurship and therefore the economy.

The goal of this research is to investigate the potential of "Nsinsani" as a financial inclusion tool in order to comprehend and draw inspiration from it in order to fund and expand small and medium-sized businesses.

As a result, the following questions might be raised: what is "Nsinsani"? What is the essence of this fundraising strategy? How can this fundraising strategy help to stimulate entrepreneurship and hence the economy?

Motivation of the study

SMEs are drivers of economic growth and job creation in developing countries. But Despite the vital role of MSMEs in building a competitive private sector and contributing significantly to economic growth and job creation, SMEs are facing more challenges around the world in general and in developing countries in particular (Oyekunle and Sirayi, 2018b). While there are many developmental constraints on the MSME sector drawing inspiration from the church fundraising model is crucial since it can indeed foster the capital accumulation needed for entrepreneurship, and is therefore likely to lead to the development of Africa and even other parts of the world. The problem of inadequacy between the functioning of the banking system and the MSMEs expectations can be circumvented by “Nsinsani”.

Literature Review and Conceptual Framework

For better understanding this model, this section provides the definition of Core Concepts and some highlights of previous research on financial inclusion.

Definition of Core Concepts

Nsinsani

Traditional African practice, the Nsinsani is a form of mutual aid from ancestors; the village community welcomes together the traveler, the foreigner, feeds and lodges him. In 1921, Christians from the surrounding villages brought food to Nkamba (birthplace of Kimbangu) for crowds of pilgrims. Since then, this custom has become widespread. It has become a great contest of generosity for self-help and development through which the Kimbanguist Church is entirely self-sufficient (Luntadila, 1990). In other words, it is an operation of collecting and raising the necessary funds for job creation and promotion of entrepreneurship.

The Kimbanguist Church

Kimbanguist is the largest independent church in Africa. It takes its name from Simon Kimbangu which means in Kikongo “the one who reveals the hidden meaning of things”.

This church was founded in 1921 from the works of the prophet Simon Kimbangu, a former Protestant catechist who preached, among other things, the emancipation of the Congolese, and even of the black people, and the end of Belgian colonialism. Considered by the colonizer as an attack on the state security, this preaching led to Kimbangu’s arrest (Adam, 2018).

He was relegated to Lubumbashi, more than 2,000 km from his native land, where he served his sentence from 1921 to 1951, and died in his cell after 30 years in prison, making him one of most famous prisoners. Since his relegation, his wife Marie Mwilu, then after his children, especially his youngest son Joseph Diangienda Kuntima, and now his grandchildren, have taken up the torch and continued Simon Kimbangu’s work. Today, the Kimbanguist Church is the third largest church in Democratic Republic of Congo, after the Catholic Church and the Protestant Church. It would be present today in 38 countries of the world! This largest independent church in Africa has been a member of the World Council of Christian Churches since 1969, with an estimated membership of 17 million spread throughout the world (Aurélien, 2014). Simon Kimbangu used spiritual message to inculcate entrepreneurial intention among believers. He cultivated a theology of liberation (force in nurturing business startups and encouraging entrepreneurship among believers) by offering a unique understanding of the Bible which is summarized on trilogy: love, Ten Commandments and works. The key methods in the arousal of the entrepreneurial appetite include Nsinsani, teachings diffused within the gathering and during cults which have an effect on entrepreneurial activities.

Entrepreneurship: Notwithstanding the fact that entrepreneurship itself is a complicated, ambiguous and changing phenomenon (Arshi et al., 2021), my working definition of entrepreneurship is any deliberate action by groups of people, communities or individuals who start or engage in business activities formally or informally in order to make a profit.

Empirical Review

The micro, small and medium enterprises (MSMEs) generate substantial employment and output in many countries (Tambunan, 2019). They play a major role in the economic growth and development of many countries, not least because they are often the main employers.

At the individual level, MSME sector is the nursery of entrepreneurship contributing substantially to the GDP, manufacturing output, exports as also is the highest generator of employment. However, this vital sector is at the crossroads facing numerous challenges (Nandeeswaraiyah and Ramana, 2019), including a lack of financial inclusion, the strictest laws and regulations and the poorest infrastructure (Legas, 2015). The lack of comprehensive entrepreneurship education and the small size of the market have also emerged as a critical challenge facing entrepreneurs in the region (Dugassa, 2012; Niesbud, 2013).

At the organizational level, there is substantial evidence that small firms face greater growth constraints and have less access to formal sources of external financing (Beck and Demirguc-Kunt, 2006). The international literature mentions that lack of transparency, small-ticket projects,
inability for collateral requirement, etc., are the reasons for below-potential credit delivery to MSMEs, and most face poor access to finance within a system dominated by banks. (Berger and Udell, 1998).

Another barrier for SME survival and development seems to be the lack of institutional support, along with inadequate legislation and excessive regulations. Many MSME managers complain about the bureaucratic processes that come along with these hindrances; furthermore, they find many services inadequate.

Gallup (2007) emphasizes that nearly half of MSMEs in EU consider themselves as operating in an over-regulated environment and detect administrative regulations as the most important business constraint.

At this level, limited access to finance and limited business growth are partly due to the investment climate. This is particularly true in low-income countries and those with higher levels of corruption (Hallward-Driemeier and Aterido, 2007). It should also be noted that financing is scarcer and more expensive in countries where implementation and institutions are weak (Galindo and Micco, 2007). Market and institutional failures and the informal nature of MSMEs deny their access to financial services (Kasekende and Opondo, 2003). The main reason for banks’ reluctance to deal with MSMEs is the strong information asymmetry between entrepreneurs and bankers. Banks believe, the risk is high due to MSMEs’ inability and unwillingness to pay. The former is due to delayed buyer payments embedded in supply chains or government utilities and also other business risks like changes in consumer demand or extraneous events like an economic slowdown. Several factors, specific to the Sub-Saharan African (SSA) context, have contributed to this. As highlighted by the Organisation for Economic Co-operation and Development, Kauffmann (2005), the absence of accounting standards or, on the contrary, the excessive level of accounting information required in the case of Central Africa by OHADA (Organization for the Harmonization of African Business Law) standards, as well as the lack of independent, competent and credible accounting enterprise, have an impact on the quality of financial information provided to banks.

Failures of the institutional and commercial environment bias funding towards medium enterprise (Aterido et al., 2009). However, financial inclusion bias decreases in the choice of sector and location (Lakuma et al., 2016), age (Cabr al and Mata, 2003), reduced informality and infrastructure (Turyahikayo, 2015).

Despite these works, there is a persistent gap in financing of MSMEs. Major discrepancies persist in the diversity, quality and use of financial services available on the market, and individuals are still without access, as has been pointed out (Klapper et al., 2004). It is therefore necessary to set up a more adapted model to African situation. Moreover, there is still little empirical work exploring church self-financing model as financial inclusion and entrepreneurial development, the objective of this study is to fill the gap in the current debate on the financial inclusion and entrepreneurial development.

METHODOLOGY

The research was carried out at Nkamba New Jerusalem, in democratic republic of Congo by Laboratory of analysis and research in economic and social research (LARES). LARES researchers were conducted at Nkamba by the author who is member of the Kimbanguist church.

There were two main reasons for the selection of Nkamba: firstly, because this is the birthplace of Simon Kimbangu. Secondly, because during church historical dates, kimbanguist believers worldwide arrive there to celebrate these events. And that time give us an opportunity to communicate with the kimbanguist worldwide. Primary data sources are mainly observation by the LARES researchers and face to face interviews. Then data collection was performed from February 17th, 2021 to April 6th, 2021.

Population

The sample included 300 entrepreneurs from 17 countries of which 196 were in Africa, 92 were in Europe and 12 were America. Of the 300 entrepreneurs, 116 were men and 184 were women. They were allowed to express their views in the language with which they were most comfortable (English, French, Lingala or kikongo). The objective of the interviews was to have conversations with the interviewees without influencing and directing their answers. The researcher personally conducted the interviews in private to limit the possibilities of misunderstandings, and each interview was in excess of two hours long. We were careful not to raise the church teachings topic or its impact on the running for business during the initial component of the interview as we wanted to observe whether the respondent raised them unprompted. The interviews were accompanied by written notes on observation.

Sampling unit: A kimbanguist entrepreneur whose age varies between 25 and 60 years and whose enterprise satisfied the following two characteristics were regarded as the sampling unit: having a live business establishment (agriculture, manufacturing, trading or service) and the enterprise is existing for a minimum period of 2 years (demonstrating some sort of success).

Main sources of secondary data are websites, newspaper articles and published papers. These are mainly used as a literature base and in some cases validating arguments raised.

Origin and quintessence of Nsimansi

For the Church of Jesus Christ on Earth through its Special Envoy Simon Kimbangu (EJCSK), Nsimansi is a fundraising system set up by the Kimbanguist leader since the beginning of Church to mobilize forces and establish a community lifestyle in order to meet the needs of its followers. He initiated and organized the self-financing of the church. Traditionally in African society, this practice was resorted to when the village, clan or lineage
community, or the family was facing a limited situation (serious illness, marriage, death of a member, or others). It is based on the requirement of solidarity which requires the contribution of every African community member.

The Kimbanguist Church was probably forced to use this method of fundraising when in the early 1960’s, their children were kicked out of missionary schools, and Kimbanguist patients were refused admission in mission hospitals. The money raised was spent on building dispensaries and primary schools in villages.

**Description of the Nsinsani**

The Kimbanguist Church has several forms of fundraising during Sunday worship. These are mainly the offering, the parade, the presence and the “Nsinsani”. The offering is the collection that takes place during the liturgical service part. Each fellow church member discreetly slips his weekly tithe into a basket which is circulated by a deacon. This money is for the altar or the liturgical needs. The parade is a liturgical moment when the head of the Church reviews the faithful who parade before him by parish and by association with goods or money in cash.

After the parade, the protocol service displays several baskets or basins in which the faithful place some money as a token of presence. This money is used to provide for the needs of the officiants.

The Nsinsani which is the tradition of collecting resources takes place in the second part of the service which is the social part. Every church member contributes. From its inception, the Kimbanguist movement was independent from Western control due in great part to the local practice of Nsinsani, which Kimbanguist theologians correlate with the giving of offerings found in Christian scriptures. However, this practice is also best understood as an adaptive use of a local and communal practice that supports the living and physical body of Christ’s church.

**Achievements**

Without outside help, Kimbanguist have been able to set up several assets such as: the temple of N'kamba (the largest African temple with 37,000 seats), studios of the reception centers and amphitheaters as well as hospitals, the Angels Spring drinking water treatment plant, universities and many other infrastructures. They succeeded to gain economic freedom. In the Church as well in Congolese nation, the Nsinsani is a source of several achievements. These achievements can take the form of local development initiatives (L.I.D.), collective actions of community interest (school, dispensary, temple, radio, etc.), private actions of community interest, development actions and services in rural or urban areas. The Nsinsani has enabled the EJCSK in the regions to initiate several self-financing projects in several areas where the following activities are carried out: rice, maize, groundnut, Nibé or Vinya cultivation, experimentation for new varieties of cassava (Mvuazi, Sansi, Zizila, Disanka, Butamu), brickworks, chicken coops, fish farming sheep and cattle. The faithful, mainly young people, benefiting from the experience and support of the church, are getting into entrepreneurship. To empower community members economically the church runs Nsinsani within the church facilities. The objective of Nsinsani is to encourage entrepreneurship and thereby creating small businesses into the community that boost employment. This fundraising model assists community members who cannot get loans from conventional banks. Anybody within the community can come and get training through church activities, material and spiritual support to start business.

**How does this fundraising model work to boost entrepreneurship?**

This fundraising system creates and finances many MSMEs, especially in the primary sector. It mobilizes more resources for productive purposes and these funds are invested in different areas:  

**Concerning fish farming,** the church sets up ponds and procures fry, the most experiment church member in the field train community members who are immersed in the ins and outs of this practice. They are learning about farming, through first-hand experience.

When the fish are big enough, one part is sold in order to generate income, and another part is distributed to the church members (those who cannot have self-financing) who wish to start their own economic activities. With the development of their activities they can take charge of themselves and have the obligation to contribute for church development which in turn propels other faithful in the same way. This organization is also observed in the animal rearing.

The generate income from this activity is divided into several headings: church functioning; free catering for pilgrims or visitors; investment in agriculture and organization of seminars on entrepreneurship. To providing know-how needed for establishment of one’s own enterprise, these seminars aim to encourage entrepreneurial mindset of followers. It is important for them to see entrepreneurship or establishment of their own enterprise as an opportunity, to further develop their intellectual self-confidence. The model can be summarized in Figure 1.

**In the farming field**

In the farming field, Community Development Centres in Lutendele, Kinkewa, Plateau de Bateke, Kounzoulou have been created. These agricultural centers are not only places of experimentation but also of initiation to agricultural entrepreneurship for the church member. Through these centers, the Church creates jobs for the permanent staff.

The income from these activities is used to pay the farming Center permanent staff, to ensure the food self-sufficiency of the members, to create investment, etc... Also, for young people who wish to start in entrepreneurship, but lack financing or support, the church provide them land and seeds. The latter are inspired by the model of the church and launch themselves into farming activities while keeping in mind the idea of redistribution, i.e. to think of contributing to Nsinsani in order to be able to help other
community members. These actions bring added value to young people and offer possibilities for professional integration.

The mission of these farming centers is therefore to combat food shortages, create jobs, and generate financial resources to create investments, to serve as an incubator for businesses and to boost agricultural entrepreneurship.

Another part of the funds is earmarked for the infrastructures construction (schools, hospitals, clinics, bridge temples, etc.) and to organize seminars about the implementation of an entrepreneurial culture among the church members. Kimbanguist seeks to eradicate poverty and empower its community members through education and seminars that support entrepreneurship. According to one of the reverend education and seminars can help empower the community with the necessary knowledge and skills to adapt to the global changes.

It is worth mentioning that the church is seen as an incubator providing support in terms of accommodation, training, advice and financing in the early stages of enterprise life.

We can therefore summarize the idea of the Kimbanguist church by setting up the "Nsinsani" in the following way: after collecting the funds, the church not only sets up the production units to create employment for young people, but also organize seminars about the implementation of an entrepreneurial culture among the church members.

Also, the church has a main mission to accompany the entrepreneurs in their project. Various means at its disposal are used: sharing experiences; advice from specialists in the involved sectors of activity.

**Conclusion**

MSMEs are the locomotives of growth for any economy and form the bottom of the pyramid of the economy. However, despite their significant weight in economic activity, they still face enormous difficulties in accessing financing, a major issue for the development of an economy.

To overcome this problem we propose the Kimbanguist Church’s approach consisting on relying first on its own efforts. The "fervour of the Kimbanguist Church", as embodied in the Nsinsani, can indeed foster the capital accumulation needed for entrepreneurship, and is therefore likely to lead to the development of Africa and even other parts of the world. The problem of inadequacy between the functioning of the banking system and the
population expectations can be circumvented by Nsinsani. This kind of financial inclusion model is needed in developing countries in general and in Congo in particular.

Conflict of Interests

The author declare that there is no conflict of interests regarding the publication of this paper

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