

The Impact of Economic Policies on Churches and Faith-Based Organisations in Nigeria

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Abstract— The economic policies of the Tinubu-led administration, including subsidy removal, naira floating, and fuel taxation, were enacted in 2023 with the aim of stimulating economic growth through the attraction of foreign investors and increased government revenue. However, the timing of these policies has proven problematic, as they were implemented when the country was already grappling with significant macroeconomic challenges such as inflation, low government revenue, high budget deficits, and increased foreign debt. This paper examines the multifaceted impact of these economic policies on churches and faith-based organisations in Nigeria. It explores how these policies affect the operational sustainability, social outreach, and financial structures of these religious institutions. Drawing on case studies, media reports, and policy documents, the study highlights how economic shifts can constrain faith-based organisations' ability to provide welfare services, fund missions, and maintain infrastructure. It also considers the adaptive strategies employed by churches, including financial restructuring, increased emphasis on stewardship, and strategic partnerships. The paper submits that there is a strong connection between government economic policies and the operational sustainability, social outreach, and financial structure of churches and faith-based organisations in Nigeria.

Keywords: Economic policies; Church; Faith-based Organisations; Impact, Nigeria.

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INTRODUCTION

Most publications on issues related to economic policies and faith-based organisations usually lay much emphasis on how religious leaders and their teachings can promote compliance with economic policies. Worse still, a myriad of social scientists have deliberately ignored this discussion (Panin, 2021) on the assumption or justification that religions are anti-government and are actors that militate against economic policies, as is common in classic studies. Authors who raise issues or evaluate how fiscal, monetary, and regulatory decisions (such as inflation control measures, taxation frameworks, subsidy removals, and currency reforms) are promoted through religious teachings bring to the fore the significant roles played by religious leaders. For authors like Torgler (2003) and McGee et al. (2020), they critically analysed how religiosity can act as a vital mechanism or possible agent for tax compliance. Panin (2021) adumbrates four possible reasons why there is a nexus between economic policy and religion in sub-Saharan Africa. Clarke (2015) established that religion and faith-based organisations play a significant function in the development and actualisation of economic policies at all levels.

However, unequivocally, not much has been said and done to investigate the multidimensional effects of economic policies on churches and faith-based organisations, especially in Nigeria and Africa at large, where policies appear generally harsh and economic recession and inflation are incessantly rising. Though publications appear scanty and authors seem naive about this salient matter, the adverse effects of fiscal policy, inflation control measures, and taxation on religious bodies and faith-based organisations in Africa cannot be overemphasised. These factors have negative impacts on churches and faith-based organisations' ability to provide welfare services, fund missions, and maintain infrastructure. Generally, during periods of economic recession or inflation, faith-based organisations and churches encounter various forms of difficulties in their bid to maintain balance between the present financial challenges and the pursuit of kingdom-related matters. The economic existential situation in Nigeria in recent times has adversely affected the mode of religious worship of many adherents of the African Indigenous Churches, forcing them to place kingdom matters second while pursuing after extra sources of livelihood to ease their financial burden, thereby leading to backsliding and lack of concentration during services and worship in general (Dairo & Abolaji, 2024). The taxation policy in Nigeria patterns the mode of operation of religious and faith-based organisations by affecting their funding, services, and governance, as well as the broader role they play in social welfare and community development.

The argument that religious beliefs significantly influence the attitude of believers towards tax and economic policies has been established. But little or nothing is known of the ripple effects of inflation on religious practices and their beliefs, especially the

Christian ethical beliefs on wealth. Different religious faiths abhor the excessive quest for material possession and the uncontrollable desire for money. However, high inflation can spark the desire for material wealth and can propel a believer to nurture an attitude of short-term benefits (Misztal, 2023). Inflation can hamper faith-based organisations' social welfare and community development programmes, as the cost of funding a project might double the initial budget. Many Muslims living in non-Islamic countries are faced with the challenge of balancing Islamic principles with tax payment. They are faced with the challenge of applying the religious practice of Zakah in countries where the interest rate and taxes are high, and where the country is under serious inflation resulting from bad economic policies (Ahmed, 2024). The inclusion of faith-based organisations in the list of taxpayers in Nigeria is occasioned by the government's need to diversify or expand its sources of revenue (Kalu & Ola, 2021). Much consideration has not been given to weighing the religious, social, and economic impacts on faith-based organisations in the country.

This paper, therefore, seeks to fill this gap by examining the specific ways in which the economic policies of the Tinubu administration have affected churches and faith-based organisations in Nigeria. It argues that while these policies were designed with macroeconomic objectives in mind, their unintended consequences on religious institutions merit serious scholarly attention, given the critical role these organisations play in providing social services and maintaining community cohesion in Nigeria.

AN OVERVIEW OF THE NATURE AND ACTIVITIES OF FAITH-BASED ORGANISATIONS

The activities of faith-based organisations have often caused people to misconceive them for Non-Governmental Organisations (NGOs). However, there is a clear-cut distinction between Non-Governmental Organisations (NGOs) and Faith-Based Organisations (FBOs). And, though there is a connection between the Church (Christianity), Islam, and Faith-Based Organisations, they are not the same. According to Scott, a faith-based organisation (FBO) is any organisation founded on the religious teachings and principles of a particular faith or school of thought within that faith (Ojewunmi & Oluwawunsi, 2021). It can be described as a community-oriented organisation with competent employees, which derives its identity and mission self-consciously from a particular or more religious traditions or is birthed by a religious body (Asma & Noor, 2016). Therefore, in Nigeria, there are faith-based organisations grounded on Islamic, Christian, and African traditional religious principles. Although established and influenced by religious beliefs and principles, their activities go further than spiritual edification; they play the significant role of modelling social, cultural, and humanitarian landscapes (Oyewale, 2024). Faith-based organisations are not accountable to any religious body such as the Church; rather, they are liable to their

sponsors, "domestic service regulators and their clients/beneficiaries who have at their disposal legal, financial, service provision oversight, and peer regulation mechanisms for ensuring the accountability of faith-based organisations" (Olarinmoye, 2011, p. 8).

In Nigeria, the existence of faith-based organisations is traceable to the pre-colonial era. Before the coming of the British government, various Christian missionaries and Islamic organisations had registered their presence. They were considered religious civil societies. The presence and activities of faith-based organisations became strong and pronounced during the colonial era. Basically, the activities of Islamic faith-based organisations in Nigeria became vibrant during the colonial era due to the British imposition of a western worldview. This birthed Islamic faith-based organisations such as Ahmadiyya and Ansar-ud-deen (Offor et al., 2025), which fought for the emancipation of Muslims in Nigeria. Faith-based organisations in Poland generate their revenues or funds from public funds, precisely from the budgets of grassroots government (Rydzewska & Bożena, 2021), but in Nigeria, this is not the case. Faith-based organisations in Nigeria generate revenue from foreign bodies, philanthropists, and support from entrepreneurs in the country (Oki, 2025). Faith-based organisations in and beyond Nigeria usually assist the government by providing basic social amenities in regions where these amenities are not available or are not functional. Faith-based organisations construct schools, healthcare facilities, pipe-borne water systems, roads, and provide humanitarian services. Faith-based organisations proffer solutions to social problems.

In addition to their roles in the provision of basic social amenities and humanitarian services, faith-based organisations also play a significant role in politics and governance. By championing the cause of policy changes and the legitimacy of political institutions, faith-based organisations participate in governance (Offor et al., 2025). Central to the objectives and functions of faith-based organisations is the power to champion a notion of togetherness and team spirit. Established on shared religious values, faith-based organisations initiate opportunities for people to unite, associate, and grapple with problems bedevilling the society (Oyewale, 2024). This is clearly seen in their political activities. The contributions of faith-based organisations in governance and politics in Nigeria form part of the history of the country. Ahmadiyya and Ansar-ud-deen, as well as other Islamic faith-based organisations, stood as a force against the British political system by agitating for an inclusive government, liberating Muslims from the segregation, marginalisation, and oppression practised by the colonial government. Their humanitarian services and their contributions to community development have overshadowed their participation in and support for good governance. Among the significant roles played by faith-based organisations in Nigeria, their contribution towards the growth of education is outstanding. The history of education in Nigeria is incomplete without accrediting faith-based organisations.

"Missionary schools, often associated with Christian denominations, have been instrumental in providing formal education in the country" (Oyewale, 2024, p. 244).

The contemporary landscape of faith-based organisations in Nigeria reveals a complex ecosystem of institutions ranging from small community-based groups to large national and international organisations. These include development-oriented organisations such as the Christian Association of Nigeria (CAN), the Muslim Students' Society of Nigeria, the Catholic Caritas Foundation, and numerous evangelical mission organisations. Their activities span education, healthcare, emergency relief, microfinance, and advocacy, making them indispensable partners in Nigeria's development architecture (Adigun & Folaranmi, 2024). Understanding the nature and scope of these organisations is essential for appreciating how economic policies affect their operations and, by extension, the communities they serve.

AN EVALUATION OF ECONOMIC POLICIES IN NIGERIA

The substructure of every nation, as postulated by Karl Marx, is the economy. The central thrust of every economy around the globe is to maximise the welfare of the people by means of the actualisation of sustainable economic growth and development (Abiodun et al., 2024). However, to have a functional, stable, and productive economy in any country, the onus lies on the economic policies of the government and the institutions saddled with the responsibilities of enacting and implementing these policies (Akinyede & Elumah, 2017). This presupposes that economic problems in a nation, such as inflation, devaluation, unemployment, poor standard of living, and others, are products of wrong economic policies. Economic policy can be described as the actions and decisions made by the government to influence and manage the economy. The objectives of economic policy often include promoting economic growth, reducing unemployment, and maintaining low inflation, while ensuring financial stability and fairness. Economic policy involves the use of various tools and strategies to achieve economic objectives, such as fiscal policy, monetary policy, and regulatory policy. Fiscal policy entails government spending and taxation to manage aggregate demand and economic growth. Monetary policy has to do with the actions of the Central Bank to regulate interest rates and the circulation of money to promote economic stability. Regulatory policy involves rules and regulations aimed at promoting fair competition among entrepreneurs, consumer protection, and maintaining financial stability.

The significance of fiscal, monetary, and regulatory policies in any economy is amplified in the roles they play in attaining sustained macroeconomic goals (Adegboyo et al., 2021). Sequel to the high level of poverty, unemployment, and the overall poor standard of living in the country, and the international ranking of Nigeria as one of the poor and developing countries in the world, myriad authors have examined critically

the economic policies of the country to validate this claim. Adopting the misery index measure, it has been established that "economic growth and fiscal policy failed to mitigate the misery index in Nigeria; thus, outweighing the significant impact of monetary and trade policies in alleviating the misery of the Nigerian citizens" (Ovat, 2019, p. 8). As earlier stated, economic policies are mechanisms or instruments adopted for maintaining economic growth, mostly in times of economic recession. Adegboyo et al. (2021) explain that governments usually employ fiscal policy to combat economic imbalances by reducing the expenditure of the public to curb taxation, a move described as a significant strategy to regulate aggregate demand, financial uncertainty, and economic distortions. However, recent existential realities in the country reveal a high rate of inflation and unemployment, subjecting the economic policy of the country to the question of its efficacy. A negative attribute of Nigeria's economy in recent times is that a great number of her citizens live in abject poverty while the few remaining are wallowing in affluence. These economic relations model economic inequality and injustice, which are above any economic principle (Gafaar & Osinubi, 2005).

For many years, the economic policies in Nigeria have laid emphasis on stabilisation and structural reforms. Economic reform policies in the country have resulted in sustainable growth and development of the economy by way of fiscal constraint and limpidity in the control of national resources. However, the agencies responsible for implementing macroeconomic policies are relatively weak (Idris et al., 2017). Adopting the Autoregressive Distributed Lag Model to ascertain the effects of government policies on Nigeria's economic growth in recent times, it was discovered that fiscal policies in the long run provoke growth; on the other hand, regulatory policies repel growth. In the short run, the impact of fiscal policies on economic growth disagrees with the long-run effects. Although the expenditure of the government brings about growth, the revenues of the government are of no significance to the growth of the economy. The effects of monetary policies indicate that interest rate drives economic growth; on the other hand, money supply repels the growth of Nigeria's economy. Regulatory policies maintain their negative influence on the economy in both the long run and short run (Adegboyo, 2021).

The accomplishment of economic policy in Nigeria mostly depends on the oil sector. The country's reliance on oil, as well as the government policy of openness, have negatively affected its fiscal and monetary policies. The country's monetary policy, influenced by its policy of openness, has made it easy for the economy to be affected by fluctuations of the international interest rate (Ibironke, 2018). Historical records show that the incessant decline in the country's economy is necessitated by a series of wrong fiscal, monetary, and regulatory policies. Interestingly, the economic policy of each new administration is usually aimed at ameliorating the lapses found in the previous policies. Idris et al. (2017) captured that the failure of the government's policy of

stabilisation coupled with its austerity measures in 1984 propelled the government to borrow from the international financial market to fund its budget. This has continued to be the case even in today's society.

The current administration of President Bola Ahmed Tinubu inherited an economy characterised by multiple exchange rates, costly fuel subsidies, mounting public debt, and sluggish growth. The policy responses, while bold in their ambition, have generated significant controversy and hardship. Understanding the historical context of economic policymaking in Nigeria helps situate the current policies within a longer trajectory of reform efforts, many of which have yielded mixed results (Ozili, 2024).

TAXATION AND INFLATION CONTROL MEASURES IN NIGERIA

The common notion about inflation in the world is that it is a negative economic problem. However, it has been established that inflation is an integral aspect of every economy. It only poses a challenge when it becomes hyper. In Nigeria, hyper-inflation has been a serious macroeconomic problem, influencing the country's output, the level of unemployment, and the general standard of living of the populace. The incessant increase in the cost of goods and services in the country is accompanied by the government's drive to increase its revenue, especially through taxation (Okoroigwe et al., 2023). Tax policy in Nigeria has undergone significant evolution shaped by colonial legacies, post-independence reforms, and contemporary shifts adjusted by governance, fiscal pressures, and institutional reforms, with Tinubu's administration intersecting these historical currents as it seeks to redefine revenue mobilisation and public service delivery. The level of infrastructure in a country is dependent on its revenue, which includes tax. Revenue created from tax is significant considering that it generates capital needed to ignite pivotal indices of development, including the private and the public sectors (Buzugbe & Ohwofasa, 2024). The rate and nature of the tax system solely depend on the economic policy in the state. Nigeria has experienced an upward examination of its tax system for many years. The objective behind this is the assumption that this would assist in enhancing domestic consumption and reallocating income. But the reverse has been the case, as inflation continues to aggravate the problem (Ologbenla, 2024).

There is a direct and indirect relationship between inflation and taxation. Inflation and taxation are two salient features of economic policies. The rationale is that while tax forms the government's source of financial revenue, inflation brings about devaluation. Since all business transactions involve the exchange of money, economic activities are influenced during the period of inflation (Buzugbe & Ohwofasa, 2024). Myriad authors have outlined the relationship between taxation and inflation, both the long-run and short-run effects and the direct and indirect effects. There is a positive salient connection between Company Income Tax (CIT), Petroleum Profit Tax (PPT), and

inflation in Nigeria, with no vital connection between inflation and Value-Added Tax (VAT) in the country (Okoroigwe et al., 2023). It has been observed that both in the long run and short run, household consumption expenditure is influenced by inflation; its negative impacts are usually felt in the long run. And both in the short and long run, household consumption expenditure is perpetually influenced by personal income tax (Ologbenla, 2024). Buzugbe and Ohwofasa (2024) found a nexus between inflation rate and tax revenue in Nigeria. They observed that though tax revenue from gas income, company income, and petroleum profit have negative impacts on inflation rate in the long run, and at the same time value added tax and stamp duty tax exerted positive relationship, no evidence of statistical significant relationship was established. However, in the short run, a significant direct relationship existed between inflation rate, gas income tax, and company income tax, contrary to significant negative influence from stamp duty tax, value added tax, and petroleum profit tax during the period of analysis (Buzugbe & Ohwofasa, 2024).

The existence of hyper-inflation in Nigeria in recent times is undeniable. But this problem is exacerbated by the tax policy under Tinubu's administration. As an aspect of fiscal policy, tax is a viable tool that can be adopted to generate revenue for capital formation in the public sector (Odogu et al., n.d.). However, the aftermath of Tinubu's administration's tax allocation affects various socio-economic groups in diverse manners, with implications for inequality, regional disparities, and the burden borne by low and middle-income households as revenue mobilisation interacts with consumption patterns and targeted exemptions. Ogbonna, as cited in Okoroigwe et al. (2023), observed that although the significance of Petroleum Profits Tax (PPT) in Nigeria is overwhelming, it has only been perceived as a channel for generating revenue for private gain. While taxation in many developed countries is an instrument for controlling inflation (Adegbite, 2019), in Nigeria the reverse has been the case. The new tax policy initiated by Tinubu's administration has posed a serious challenge to household consumption and has increased the existing inflation in the country. Caesar, as quoted by Adegbite (2019), avers that "an upward review of taxes in time of inflation greatly influences household and firms' consumption; it causes a decline in expenditure from the private sector, hence decreasing pressure on the market and curtailing inflation" (p. 12).

The interplay between taxation and inflation has profound implications for religious organisations in Nigeria. As the government seeks to expand its tax net to include previously exempt or under-taxed sectors, faith-based organisations find themselves navigating an increasingly complex fiscal environment. The Nigerian tax system, administered by the Federal Inland Revenue Service (FIRS) and state-level counterparts, has historically granted various exemptions to religious organisations, but the fiscal

pressures of recent years have led to greater scrutiny and enforcement (Kalu & Ola, 2021).

THE IMPACTS OF TAXATION, INFLATION, AND SUBSIDY REMOVAL ON CHURCHES AND FAITH-BASED ORGANISATIONS

Existentially, the economic policy in Nigeria is guided by the general growth in its Gross Domestic Product (GDP), but this supposed growth does not reflect the present realities of economic inequality, high poverty rate, and hyper-inflation (Ebimobowei et al., 2023). The economic policy of the Tinubu administration has been severely criticised for its negative impacts on ordinary citizens in the country. Though within this segment of the paper we shall be looking at the negative impacts of the economic policy of the Tinubu administration on the church and faith-based organisations, it is pertinent to note that the policy is not aimed at victimising the church or faith-based organisations specifically. This policy has generally affected every sector in the country, both private and public. Therefore, our concern here is to bring to light those areas where the present economic policy has affected the church and faith-based organisations.

The central thrust of the economic policy of Tinubu's administration includes "subsidy removal, naira floating, and harmonisation of foreign exchange" (Ozioko, 2024, p. 3765). This is further crowned with the recent fuel tax policy. Economic policies are usually critical measures taken by the government aimed at improving the wellbeing of her citizens. But the reverse can be said of the economic policies of Tinubu's administration. The advantage of subsidy removal by this administration is that it paved the way for financial resources for different sectors in the country. Nevertheless, this policy has resulted in increased unemployment, hyper-inflation, and a decline in the economic growth of the country (Uwak et al., 2024). While the masses are yet to recover from the economic hardship associated with the subsidy removal, the administration introduced the recent fuel tax policy (the 15% import duty on petrol and diesel). This policy has been severely criticised by elites and the general public because of its tendency to aggravate the existing inflation.

Myriads of pharmaceutical companies, industries, and enterprises, both local and foreign, have shut down operations and migrated to other countries as a result of the negative impacts of the economic policies. Some of these companies include GlaxoSmithKline, Microsoft Nigeria, PZ Cussons Nigeria Plc., Unilever Nigeria Plc., Bolt Food, and Jumia Food Nigeria, among others. Economic activities in Nigeria are mostly influenced by the cost of petroleum products; considering the number of low-income earners in the country and the poor state of basic social amenities, the removal of fuel subsidy has greatly affected the lives of Nigerians negatively (Uwak et al., 2024). The government's justification for the tax is that it is a source of generating revenue and also protects local refineries.

The government policy on naira floating has increased the rate of poverty outrageously, accompanied by economic inequality. It would not be out of place to state unapologetically that this policy has been of benefit to the wealthy class and large corporations at the detriment of the masses. The aim of the policy was to bring in foreign investors and also unify exchange rates, but its resultant effect is the sharp depreciation of the naira. This has also resulted in an increase in the external debt burden of the country and hyper-inflation (Gali Abdullahi & Munir, 2025). The aftermath of the economic policy reveals the absence of social protection for citizens by the government. There are no existing structures made by the government to cushion the negative effects of the policy on the masses. The enactment of this policy was not timely; the justification for this claim is that at the time of its launch, the country was plagued with "high inflation, large balance of payment deficit, large budget deficit, high government borrowing, high energy prices due to fuel subsidy removal, low government revenue, and low foreign exchange (FX) supply" (Ozili, 2024, p. 6). Though the government meant well by introducing the policy, the outcome of the policy on the masses indicates that it was not a well-planned initiative by the government.

The impacts of taxation, inflation, and subsidy removal on churches and faith-based organisations cannot be overemphasised. Like individuals and firms in the country, the economic policies of the Tinubu-led administration have negatively affected churches and faith-based organisations. The following are areas in which taxation, inflation, and subsidy removal have impacted the church negatively: contributions to welfare projects, day-to-day running or operation of activities, and evangelical missions. Additionally, since the church depends on the financial stewardship of members for its survival, and members are deeply affected by the inflation, subsidy removal, taxation, and naira floating policy of the government, this indirectly affects the financial operation of the church.

Community Social Responsibility

The present hyper-inflation occasioned by subsidy removal, naira floating, and taxation has negatively affected the community social responsibilities provided by churches and faith-based organisations. The provision of community social responsibilities has been one of the key features of the church and faith-based organisations. While faith-based organisations in Poland generate revenue from public funds, precisely from the budgets of grassroots government (Rydzewska & Bożena, 2021), faith-based organisations in Nigeria generate revenue from foreign bodies, philanthropists, and entrepreneurs in the country. Churches and faith-based organisations in Nigeria have contributed immensely to the development of communities through empowerment and provision of infrastructure (Adigun & Folaranmi, 2024). The economic policies in Nigeria have affected the financial

sustainability of faith-based organisations and churches in the country; there has been a reduction of funds from donors (Oki, 2025). The devaluation of the naira, leading to its low purchasing power, has made it laborious for churches to carry out this task. The high cost of goods in the country has hindered faith-based organisations from distributing food items, relief materials, and medical supplies to people who are in dire need and places where social amenities are limited. Many churches before now used to visit orphanages, hospitals, and prisons with gift items to relieve the plight of the people as one of the mandates from God. However, this religious act is gradually dwindling as churches and faith-based organisations find it difficult to meet up with the financial commitment needed to achieve this.

For instance, the Catholic Caritas Foundation, which runs extensive feeding programmes and health interventions across Nigeria, has reported significant increases in the cost of procuring and distributing relief materials (Oki, 2025). Similarly, many evangelical mission organisations that previously supported orphanages and schools have had to scale back their operations or redirect funds from programme activities to operational costs. The ripple effects of these reductions are felt most acutely by the vulnerable populations who depend on faith-based organisations for their basic needs, including orphans, internally displaced persons, and the urban poor.

Operational Sustainability

Another area that the economic policies in Nigeria have affected is the operational sustainability of faith-based organisations and the church. The existence of the church as an organisation and faith-based organisation is partly determined by and dependent on the availability of financial resources. In simple terms, the growth and continuity of the church is connected to its financial strength. The cost of running a service per day involves the purchase of fuel, hiring sound systems if the church does not have one, and the wages of instrumentalists. The cost of these services has increased sequel to the hyper-inflation in the country. Meeting up with these financial commitments in the face of the present inflation occasioned by the economic policies of the government has posed a serious challenge for churches and faith-based organisations. Churches with large congregations are mostly affected by the economic policies of the government. The justification for this is that they make use of sophisticated equipment such as power plants, advanced modern sound systems, and they provide transportation for members living in far distances. With the hyper-inflation in the country, the cost of maintaining and servicing these items has increased to twice what it used to be. Many churches in Nigeria in recent times spend a greater part of their resources on maintenance and operational activities because of the high cost of goods and services.

The financial strain extends beyond worship services to include administrative expenses, staff salaries, and utility bills. Many churches employ full-time pastors,

administrators, and support staff whose livelihoods depend on the church's financial health. With inflation eroding the value of tithes and offerings, churches face difficult choices about staff retention and compensation. Some denominations have had to reduce their workforce or implement salary cuts, affecting not only the employees but also their dependents and the communities they serve (Dairo & Abolaji, 2024).

Funding Mission

The core objective of the church and faith-based organisation is to spread the gospel to the nook and crannies of the earth. The mission activities entail a whole lot of things, such as printing of tracts, securing accommodations for missionaries, feeding, and mobility. The funding of mission in Nigeria in recent times has been a challenging task, as it is capital intensive due to hyper-inflation caused by subsidy removal, naira float, and taxation in the country. The cost of securing accommodations for missionaries, transporting them to their places of primary assignment, and other paraphernalia has skyrocketed. The resources of churches and faith-based organisations are limited compared to the things required for the mission.

Missionary organisations that previously supported indigenous missionaries in rural and underserved areas have found their budgets stretched thin. The Nigeria Evangelical Missions Association (NEMA), which coordinates evangelical mission efforts across the country, has reported that many of its member organisations are struggling to meet their commitments to field missionaries (Alawode, 2024). Some missionaries have had to be recalled from the field, while others are compelled to seek supplementary income, thereby reducing their time and effectiveness in evangelism and church planting. The situation is particularly acute for cross-cultural missionaries working in Muslim-dominated northern Nigeria, where the cost of living has risen sharply and security concerns add additional financial burdens.

Impact on Church Members and Their Giving

Since the church depends on the financial stewardship of members for its survival, and members are deeply affected by the inflation, subsidy removal, taxation, and naira floating policy of the government, this indirectly affects the financial operation of the church. When church members experience economic hardship, their capacity to give tithes, offerings, and special project donations diminishes significantly. This creates a double burden for churches: they face increased operational costs while simultaneously experiencing reduced income from their congregants.

Research has shown that economic downturns typically lead to reduced religious giving, as households prioritise essential expenditures such as food, housing, and healthcare (Iannaccone, 1998). In the Nigerian context, where many church members are already living on the margins of economic survival, the current inflationary pressures

have forced difficult choices. Pastors across denominations report declining attendance at special fundraising events, reduced commitments to building projects, and increased requests for financial assistance from church members themselves. This situation creates a paradox where churches are expected to provide more social support to their members at a time when their own resources are diminishing.

THE ADAPTIVE STRATEGIES OF CHURCHES AND FAITH-BASED ORGANISATIONS

In the face of the challenges presented by the economic policies of the country to churches and faith-based organisations, different strategies have been adopted by the church and faith-based organisations to manage these challenges. These strategies include increased emphasis on stewardship, financial restructuring, and strategic partnerships.

Stewardship

The concept of stewardship in Christendom stresses the responsible and effective management of resources placed in the care of a person or an individual by God. This concept is deeply rooted in scriptural principles. The concept of stewardship is broad and encompasses caring for the earth, fellow humans, the effective use of talents (gifts) and time, and accountability. In a narrow sense, "stewardship in the church involves services devoted to worship, spiritual formation, and social action. Its beauty is appreciated from the perspective of managing resources, planning events, and minimising waste" (Sihombing, 2023, p. 2537). The notion of stewardship used in this context emphasises giving as a fundamental Christian principle, which involves an act of love. Stewardship as embraced by churches and faith-based organisations to cushion the effects of inflation and subsidy removal calls for believers to care for one another by extending the hand of giving to help those in need. By this, the church is encouraging believers to be selfless, which relieves churches and faith-based organisations of the burden of their inability to meet up with the social responsibilities and humanitarian services associated with the church. The concept of stewardship encourages believers to willingly or cheerfully engage in giving to alleviate the plights of the destitute in the society.

Many churches have intensified teaching on biblical stewardship, emphasising that giving is not merely about meeting church budgets but about participating in God's work and caring for the vulnerable. This theological reframing has helped sustain giving even in difficult times, as members understand their contributions as acts of worship rather than mere financial transactions. Some churches have also implemented more systematic stewardship programmes, including regular financial education,

transparent reporting, and planned giving initiatives that help members budget their contributions even when income is uncertain (Sihombing, 2023).

Financial Restructuring and Cost Optimisation

In response to rising costs and constrained revenues, many churches and faith-based organisations have undertaken significant financial restructuring. This includes reviewing operational expenses, renegotiating contracts with service providers, consolidating programmes to eliminate duplication, and exploring alternative energy sources to reduce reliance on expensive generator fuel. Some churches have shifted to hybrid worship models, combining online and in-person services to reduce the frequency and cost of physical gatherings while maintaining congregational engagement.

Faith-based organisations have also become more strategic in their financial management, adopting professional accounting practices, diversifying income sources, and building reserve funds to weather economic shocks. The establishment of endowment funds and investment portfolios, while still limited, is gaining traction among larger denominations and organisations as a means of creating sustainable funding streams independent of weekly offerings (Oki, 2025).

Strategic Partnership

To cushion and curtail the impacts of inflation and subsidy removal, faith-based organisations and churches adopt strategic partnership. The concept of partnership is scriptural, found in the New Testament, mostly propagated by Paul in his epistles, and also common in the teachings of Christ. It is a call for unity in the body of Christ. In the book of 1 Timothy 5:1-2, Apostle Paul enjoined believers, leaders specifically, to live as a family. Partnership in Christianity is against the idea of denomination. The practice of different denominations creates division in the body of Christ. Partnership is a broad concept, but the emphasis is on unity among Christians. The church generally has a single purpose, which is spreading the gospel. This purpose can be effectively achieved through partnership in Christian mission (Alawode, 2024). The sense in which faith-based organisations and churches adopt this concept is the call for unity to finance community development projects and Christian mission (evangelism). The coming together of members to provide financial support for a project liberates churches and faith-based organisations from the financial burden caused by inflation and subsidy removal.

In practice, strategic partnerships have taken various forms. Denominations that historically operated independently are now collaborating on mission projects, theological education, and social outreach. Local churches within the same geographic area are pooling resources for community development initiatives, sharing facilities,

and coordinating relief efforts. Faith-based organisations are forming consortia to access international funding, share best practices, and advocate collectively for policy changes that benefit their work (Offor et al., 2025). These partnerships not only spread financial risk but also enhance programme effectiveness through shared expertise and coordinated action.

Advocacy and Civic Engagement

Another adaptive strategy employed by churches and faith-based organisations is increased advocacy and civic engagement. Recognising that economic policies significantly affect their operations and the wellbeing of their members and communities, religious institutions have become more vocal in policy discussions. The Christian Association of Nigeria (CAN) and the Nigerian Supreme Council for Islamic Affairs (NSCIA) have issued statements calling for policy reviews and the implementation of palliative measures to cushion the effects of economic reforms.

At the local level, churches have engaged with government officials to articulate the challenges faced by their communities and to advocate for targeted interventions. Some faith-based organisations have also partnered with civil society groups to monitor policy implementation and hold government accountable for its commitments to social protection. This advocacy role, while not new, has gained urgency in the current economic climate as religious leaders recognise that spiritual ministry cannot be separated from the material conditions of people's lives (Oyewale, 2024).

Leveraging Technology and Innovation

The adoption of technology has emerged as a significant adaptive strategy for churches and faith-based organisations facing economic pressures. Online giving platforms have enabled churches to receive contributions even when members cannot attend physical services, helping to stabilise income streams. Social media and digital communication have reduced the cost of outreach and enabled organisations to maintain engagement with supporters at lower cost.

Some churches have also embraced income-generating projects, leveraging their assets and expertise to create sustainable revenue streams. These include agricultural projects on church lands, vocational training centres, small-scale manufacturing, and social enterprises that serve both community development and financial sustainability goals. While such initiatives require upfront investment, they offer the potential for long-term financial resilience (Adigun & Folaranmi, 2024).

CONCLUSION AND RECOMMENDATIONS

The impacts of the economic policies of the Tinubu-led administration on Nigerians cannot be overemphasised. Its tax and naira floating policy, and subsidy removal with

its resultant effect of inflation, have hampered economic activities in the country and reduced the standard of living of citizens. The effects of these policies have extended to the church and faith-based organisations. Though the policies were aimed at alleviating the plight of the people through the attraction of foreign investors and increased sources of revenue for the government, the timing of the policies was wrong. This has not only brought untold hardship to the people but has also severely hampered the operational expenses and activities of the church and faith-based organisations in Nigeria. Many churches and faith-based organisations are struggling to meet up with their operational expenses, humanitarian services, community development programmes, and field missions. Churches and faith-based organisations have adopted strategies of increased emphasis on stewardship, financial restructuring, and strategic partnerships as panaceas to cushion the effects of these policies. There is a strong direct impact of government economic policies on the operational sustainability, social outreach, and financial structure of churches and faith-based organisations in Nigeria. Based on the findings of this study, the following recommendations are proffered:

1. **Government should engage religious leaders in policy formulation.** Given the significant role that churches and faith-based organisations play in social service delivery and community cohesion, the government should deliberately include religious leaders in consultations on economic policies. This would ensure that policy impacts on religious institutions and their communities are adequately considered before implementation.
2. **Implementation of targeted palliatives for faith-based organisations.** The government should consider specific interventions to support faith-based organisations that provide essential social services. This could include tax exemptions on imported relief materials, subsidised fuel for organisations running healthcare and educational facilities, and grants for community development programmes.
3. **Strengthening of financial management capacities.** Churches and faith-based organisations should invest in building the financial management capacities of their leaders and staff. Professional training in budgeting, financial reporting, and resource mobilisation would enhance their ability to navigate economic challenges and maintain sustainable operations.
4. **Enhanced collaboration among faith-based organisations.** Religious institutions should deepen their collaborative efforts, pooling resources and expertise to achieve common goals. Ecumenical and interfaith partnerships can reduce duplication, increase efficiency, and strengthen advocacy for policies that support the common good.
5. **Development of sustainable income streams.** Churches and faith-based organisations should explore innovative and ethical income-generating activities that align with their mission and values. Social enterprises, endowment funds, and

investment portfolios, managed with transparency and accountability, can provide financial stability independent of economic fluctuations.

6. **Government to fulfill its social protection obligations.** While faith-based organisations play a critical role in supporting vulnerable populations, the primary responsibility for social welfare rests with the government. The government should strengthen its social protection programmes, ensuring that citizens have access to basic necessities regardless of the support provided by religious institutions.
 7. **Further research on religion and economic policy.** Scholars should continue to investigate the relationship between economic policies and religious institutions, generating evidence that can inform both government policy and the strategic planning of faith-based organisations. Comparative studies across different religious traditions and regions of Nigeria would be particularly valuable.
- In conclusion, the economic policies of the Tinubu administration have profoundly affected churches and faith-based organisations in Nigeria, constraining their ability to fulfil their spiritual and social missions. While these organisations have demonstrated remarkable resilience and adaptability, sustainable solutions require collaborative efforts between government, religious institutions, and other stakeholders. As Nigeria navigates its current economic challenges, the contribution of faith-based organisations to national development must be recognised, supported, and integrated into broader strategies for economic recovery and social wellbeing.

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