**The Impact of Prosocial Microlending on Entrepreneurship in Emerging Economies: A Cross-National Natural Experiment**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1343&context=amcis2018**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1343&context=amcis2018)**)**

Microfinance is deemed as a viable means to alleviate poverty through encouraging entrepreneurial activity. Recently, a new form of microfinance, namely prosocial microlending, is gaining popularity. Different from traditional for-profit microfinance, prosocial microlending is both financial and prosocial in nature. Despite its rapid expansion, there is a lack of understanding on whether and how this new form of microfinance affects entrepreneurship in emerging economies. In this study, we evaluate the impact of the introduction of the world’s largest prosocial microlending platform (i.e., Kiva.org) into emerging economies on entrepreneurial activity. Using a cross-national research setting, our results show that the introduction of Kiva.org into emerging economies has a positive effect on entrepreneurial activity. More interestingly, this relationship is contingent on the socioeconomic development of countries (i.e., political, economic, and social institutions). Our study makes both theoretical and practical contributions to the understanding of microfinance, socioeconomic development, and entrepreneurship in emerging economies.

**Breadth and Depth:The Impact of ICT Adoption on Outreach Capabilities of Microfinance Institutions**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1201&context=amcis2012)\**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1201&context=amcis2012)\)

A decade ago, the microfinance industry prided itself on its trends toward financial and operational sustainability. Recently, investors, donors, lenders, regulators, and microfinance institutions have been more concerned with social and outreach performance. Transactions cost and distance theories inform a new ICT-enabled microfinance institution (MFI) outreach theory positing that information and communication technology (ICT) adoption among MFIs will result in direct improvements to MFI operations and a greater capacity for poverty and geographic outreach. These propositions are modeled using a case study methodology with primary research materials collected from 14 microfinance institutions in 8 countries. Using a pattern-matching mode of analysis, we find that different ICTs impact two types of outreach: geographic and poverty. Policy, database, and software-related ICT adoption activities impact poverty outreach due to their support of flexibility and information. Infrastructure, networking, hardware, and telephony ICT adoption activities impact geographic outreach since these areas support connectivity.

**Application Development in The Social Computing Non-Profit Sector: Motivating and Managing Volunteer Developers**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1382&context=sprouts\_all**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1382&context=sprouts_all)**)**

This paper examines the volunteer developers contributing to the on-line microfinance site, Kiva, to provide understanding of issues related to motivating and managing volunteer developers in social computing non-profits.

**Information Systems to Support “Door-step Banking”: Enabling Scalability of Microfinance to Serve More of the Poor at the Bottom of the Pyramid**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=3717&context=cais**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=3717&context=cais)**)**

Microfinance provides financial services to the extremely poor who are not served by banks. At the heart of microfinance is microcredit which provides small loans to the unbanked poor to seed small local businesses. Microfinance may help alleviate poverty because access to finance has a positive impact on economic development. The unmet need of the poor for financial services spawned over 11,000 microfinance institutions (MFIs) by 2010, but 90 percent of these MFIs are small with fewer than 10,000 clients. This article presents three case examples of MFIs in India that deployed information systems (IS) to increase the scale of their operations. Each example illustrates how IS helped MFIs achieve financial sustainability through scaling despite the necessity of using “door-step banking” which requires the MFI’s agents to visit clients in remote areas. By presenting microfinance examples that impact the economic empowerment of the poor, this article addresses the dearth of research on the use of IS to effect social change at the bottom of the pyramid. The article’s subject matter also provides engaging material for IS coursework and teaching.

**The Role of Mobile Banking in Fostering Microfinance Performance – A Case Study of Urwego Opportunity Bank in Rwanda**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1006&context=globdev2018**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1006&context=globdev2018)**)**

Microfinance Institutions (MFIs) have the potential to alleviate poverty across the world. However, they face many challenges before they can grow to meet set objectives. In Rwanda, high costs and loan defaults are the biggest threat to microfinance profitability and sustainability. The use of Information and Communication Technologies (ICTs), particularly mobile banking (mbanking), holds promise to enable such profitability and sustainability. Some MFIs in Rwanda had already tried to develop this opportunity by launching m-banking projects and small-scale experiments across the country. But though these initiatives exist–so far with limited achievements –there is no clear indication that integrating mobile technology banking into MFIs has contributed to the greatest challenges faced by MFIs in Rwanda. This qualitative study examines the possibilities for MFIs being more efficient by introducing m-banking. The case study was applied to Urwego Opportunity Bank (UOB), a Rwandan microfinance bank that had launched m-banking. The analysis focused on two major dimensions including transaction costs and loan defaults. Those dimensions were found restricting the Rwandan’s MFIs from achieving profitability and sustainability. The analysis results indicate that the adoption of m-banking could contributes towards efficiency in operation that allows for lowering the transaction costs and higher repayment rates in microfinance industry in Rwanda.

**Applying Farmer Technology Acceptance Model to Understand Farmer ’s Behavior Intention to use ICT Based Microfinance Platform: A Comparative analysis between Bangladesh and China**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1084&context=whiceb2014**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1084&context=whiceb2014)**)**

Bangladesh has been a pioneer in the microfinance movement since its inception in the early 1980s, and today this concept has been adopted by many countries including China, India, and Brazil. It is already proven as strong and useful poverty reduction tools by researchers worldwide. Conversely, Online Peer-to-Peer (P2P) lending, also known as online social lending is a new form of electronic commerce platform for the poor. Nowadays, the main concept has been exacerbated by MFIs towards achieving institutional benefits rather than alleviating poverty. The essence of ICT, which is widely used by middle and poor class farmer in Bangladesh, has not been incorporated with microfinance platform extensively. This paper describes farmers’ perceptions about P2P microfinance platform in terms of applying the Farmers Technology Acceptance Model (FTAM). This study also proposed an integrated theoretical framework of farmer acceptance and intention to use ICT enabled product and services based on technology acceptance model (TAM). Total Eighty (80) households from both countries were surveyed with structured questionnaire during the FGD, and In-depth Interview sessions to know the perception about technology, and the motivations to use ICT Based Microfinance Platform in resolving agriculture needs by the rural farmers. In this study, analysis of field study data provides evidence of the reliability and validity of the proposed Conceptual Model. Finally, a comparative analysis is drawn based on empirical evidence, collected from both countries. The findings contribute to future research on external variables of TAM.

**Credit-worthiness Prediction in Microfinance using Mobile Data: A SpatioNetwork Approach**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1193&context=icis2016**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1193&context=icis2016)**)**

Many communities in underdeveloped and developing economies of the world suffer from lack of access to personal credit via formal financial institutions, like banks. However, with the rapid increase in Internet and mobile phone penetration rates, firms are now trying to circumvent this problem using novel technology-enabled approaches. In this research, we leverage a real-world dataset obtained in collaboration with a microfinance firm to show that locational data from mobile phones, coupled with information about communication networks, can be effectively exploited to improve prediction of loan default rates. Specifically, we draw upon recent work in network cohesion based regression modeling to develop a model that uses locational predictors, but within a networked context. We contend that the results from our research can not only illuminate how locational data might be used in assessing creditworthiness, but also empower microfinance firms in resource-poor communities with novel methods for credit scoring.

**Mobile Platform for Financial Inclusion: the Case of an Unsuccessful Pilot Project In Brazil**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1007&context=globdev2013**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1007&context=globdev2013)**)**

This paper presents an investigation of a pilot project that implemented a mobile payment platform in a poor community in Brazil. This project involved the creation of a network of organizations that includes a local microfinance institution, a large retail bank, a mobile phone operator, an international credit card company, and an acquirer, as well as small local merchants. The paper describes the process in which this platform was created and how it was maintained until it failed, one year after starting. Two conceptual approaches were combined for developing a theoretical understanding of this pilot project first to describe the process of interorganizational network establishment and second to analyze its evolution during its first year of operation. The study points to the critical role played by governance processes, the environmental dynamics and how it can compromise the success of establishment and maintenance of such inter-organizational networks.

**The Role of Online Peer-to-Peer Lending in Crisis Response: Evidence from Kiva**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1372&context=icis2016**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1372&context=icis2016)**)**

Online peer-to-peer (P2P) lending, a new form of microfinance, has been touted as to its prominent potential for reducing world poverty. Although a growing body of IS research has been devoted to examining online P2P lending, how such platforms actually make a difference in curbing poverty has yet to be fully explored. The Ebola outbreak of 2014 provides us a unique empirical opportunity to explore such broader impacts of online P2P lending. Leveraging this event as a natural experiment, we investigate how the demand and supply sides of P2P lending platforms react to an unpredictable crisis. Employing a difference-in-difference identification strategy with data from Kiva.org, we conduct country- and loan-level estimations. Preliminary results show upward trends on both demand and supply sides of P2P lending; borrowers request more financial capital and lenders are more active in their lending behaviors in the post-crisis period. We extend online P2P lending literature by investigating the influences of “off-platform” shocks on within-platform behaviors.

**Banking Technology to Scale Microfinance: The Case of Correspondent Banking in Brazil**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1073&context=icis2008**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1073&context=icis2008)**)**

Significant population segments in developing countries have very limited access to basic financial services, such as bank accounts, savings or insurance. Meanwhile, the use of ICT is increasingly becoming an intrinsic part of banking business, rendering financial services easier and cheaper to develop and deliver. This paper focuses on ICT-based correspondent banking outlets, a technology that appeared in Brazil in recent years, which is considered a feasible alternative for delivering financial services to the poor. The aim of this paper is to investigate how the use of this particular technology was structured and how it has evolved over time to deliver an increasingly complex range of services. A conceptual model, combining three theoretical approaches, is proposed to make possible an original reading of the use of correspondent banking technology in Brazil and its implications for microfinance.

**Intermediaries vs Peer-to-Peer: A Study of Lenders’ Incentive on a Donation-based Crowdfunding Platform**

(<https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1443&context=amcis2016>)

Donation-based crowdfunding platform Kiva seems to hold the promise of peer-to-peer lending with zero interest rate to help the poor. However, it is actually intermediated by microfinance institutions, which raise funds from Kiva lenders, disburse the funds to borrowers and collect high interest. Later Kiva launched another platform Kiva Zip that implements interest-free loans directly from lenders to borrowers. This unique setup enables us to examine how lenders choose between Kiva and Kiva Zip, i.e. a platform with intermediaries and a real P2P platform. We develop a theoretical model and explicate that the lenders trade-off is between the sustainability of her donation money and the welfare of individual borrowers. We also provide initial empirical evidence that only highly altruistic lenders select Zip and they tend to shift their loans from Kiva to Zip after Zip’s introduction.

**A Conceptual Framework for Understanding Crowdfunding**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=3866&context=cais**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=3866&context=cais)**)**

Crowdfunding is a rapidly growing technology-enabled process that has the potential to disrupt the capital market space. In order for this process to work efficiently, it is important to clarify the issues surrounding the phenomenon from the founders’, the backers’, and the technology providers’ viewpoints. We begin with an ecosystem view to understand the stakeholders and their roles in the crowdfunding process. We review the literature with a focus on how current research fits into the overall crowdfunding phenomenon. Guided by typology and classification research approaches, we identify six distinct crowdfunding business models: private equity, royalty, microfinance, peer-to-peer lending, rewards, and donation. Based on identified roles and crowdfunding business models, we propose a conceptual research framework. We conclude by showing how current research fits into our proposed framework and offer suggestions for future research directions.

**Exploring the Factors Affecting the Adoption of Mobile Financial Services among the Rural Underbanked and its implications for Micro-finance Institutions**

**(**[**https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1394&context=sprouts\_all**](https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1394&context=sprouts_all)**)**

Around two and half billion adults worldwide do not have a savings or credit account with either a traditional (regulated bank) or alternative financial institution (such as a microfinance institution). On the other hand, penetration of mobile technology had been substantial in the past few years and is expected to increase in the future. Around one billion people in emerging markets have a mobile phone but no access to banking services and it is said that by 2012 this population will reach 1.7 billion. Financial institutions, which have had difficulty providing profitable services through traditional channels to poor clients, see mobile financial services (MFS) as a form of 'branchless banking', which lowers the costs of serving low-income customers. The main objective of this study was to determine the factors affecting the adoption of MFS (including mobile banking and mobile payments) among the rural under-banked population that would help the micro-finance institutions like credit cooperative societies to reach to more people with better quality of services.