

Identifying generic features of borrower descriptions on Kiva.org

Kim BRADFORD-WATTS

Abstract

This paper describes the online platform of kiva.org, a microfinance site that enables people to contribute to the funding of microloans across the third world, and then describes an initial small-scale study to identify generic features of the borrower descriptions on the site. Future research will determine whether this is a developing genre, and whether the model is robust both within kiva.org and across other such platforms.

ここでは、マイクロファイナンスを行う団体、kiva のオンライン・プラットフォームを取り上げてみました。それは第三世界に少額貸付を行うことを可能にするものであり、さらに、サイト上に登録された借り手側の記載内容に共通するものを見つけ出そうという試みを、わずかばかりのサンプル数ですが行ってみました。将来的には、これが発展的なジャンルであるのか、さらにはこのモデルが kiva や類似の他のサイトにおいて確固たるものか、確認作業を行いたいと思います。

The Internet, especially Web 2.0, has brought opportunities to connect people and enable affordable small-scale transfers of capital between individuals and organizations. The number of crowdfunding sites, which connect people willing to lend or donate a portion of the money to those who want or need it, are growing, including sites such as Watsi (to pay

for surgeries for people in the third world), The School Fund, and Kick-starter (to fund projects or innovative products).

Kiva is popularly regarded as a peer-to-peer crowdfunding platform on the Internet (Web 2.0). People can lend to others through increments of only twenty-five U.S. dollars. Once the loan has been repaid, the lender may choose to make another loan. In addition, lenders are able to join “lending teams” and choose to support loans recommended by others and compete with the lending totals of other teams. Loan monies and withdrawals are processed in U.S. dollars, with no further charges, through PayPal.com. All borrower profiles are available on the public side of the site until fully funded. Once funded, only people who contributed to the loan can access loan details after they have logged into their password-protected accounts. Although Kiva is regarded as being a peer-to-peer lending platform, the reality is not quite as neat. Kiva has developed two platforms: kiva.org and Kiva Zip.

Kiva began in 2005 with 9 loans to small entrepreneurs in Kenya, funded by approximately 40 people. Since then, kiva.org has attracted more than a million lenders and now regularly funds over \$1,000,000 in loans on a weekly basis. Kiva.org focuses, for the most part, on microloans to small-scale entrepreneurs in third world countries, although there are some U.S. loans on the site. Over the past year or so, kiva.org has expanded the types of loans on offer. Some loan types are now quite large and support the development of infrastructure in the way of water or renewable energy loans, and there are also increasing numbers of long-term education loans. Considering the diversity of the areas served, access issues to Web 2.0 technologies faced by borrowers, language issues, and potential fraud risks, the concept of person-to-person lending is slightly misleading.

In reality, kiva.org works to facilitate private sector funding for Microfinance Institutions (MFIs) through listing selected loans from each MFI, allowing funds to be collected, and then transferred to the MFI. MFIs screen applicants, grant loans, write descriptions and take photographs of borrowers and load them into the kiva.org system, then provide updates on the borrowers (generally one or two over the course of the loan term). Often loans have been granted and disbursed before the borrower profile even appears on the kiva.org site. In effect, the kiva.org community provides funds in escrow for the borrowers, and, depending on the MFI that provided the original loan, assumes at least some of the risk of default. Although lenders can comment on loans, borrowers are unable to reciprocate.

Kiva Zip, which provides relatively small loans to businesses mainly in the U.S.A., is more accurately described as a peer-to-peer lending platform, with lenders and borrowers able to actually communicate directly via the platform, and lenders assuming all risk for loans. These loans are only disbursed after being fully funded on the site. However, this paper will not consider loans listed on the Kiva Zip site.

2015 marks the 10th anniversary of kiva.org. According to the Kiva website, since going live in 2005, more than a million people have lent almost \$660,000,000 to 1.5 million borrowers through 290 field partners in 85 countries across the globe. Yartey (2013) reports that

socio-financial networks like kiva.org play a critical role in helping bring about social change by providing economic relief to millions of people world-wide... Kiva.org is one of the many transnational public spheres where donors and borrowers connect in a discursive space to participate in social and financial transactions (p. 74).

As Kiva has grown, it has become the focus of a number of studies,

due to the innovative nature and growth of kiva.org, as well as the open access to data and metrics offered to researchers, especially useful for data mining by quantitative researchers. However, most of these focus on lenders and how they lend. For example, Choo, et.al. (2014) conducted a study to “identify the key factors that encourage people to make micro-financing donations, and ultimately, to keep them actively involved” (p. 583), finding that a) temporal features (i.e., when a loan is posted or repaid) significantly impact lending patterns across all kiva.org lending groups; b) for people who have made few loans, delinquencies in repayments by borrowers or a high MFI delinquency rate negatively impact lending, but are not significant for those with high rates of lending; and c) lending teams impact active lenders more significantly than passive lenders. Their data also suggests that textual features within the borrower description may influence loan patterns most for new or passive lenders as well as very active lenders, although the quality of the borrower’s picture influences lender behavior to an equivalent degree.

However, more disturbingly, Jenq, Pan, and Theseira (2011) found that “Lenders systematically discriminate in favor of borrowers who are more attractive, less overweight and lighter-skinned. Lenders also appear to exhibit a preference for borrowers who appear more needy, honest and creditworthy” (p. 21). Considering the large amount of data that was accessed in the study, it appears that this pattern may well hold for similar environments outside kiva.org. This finding supports Yartley’s concern about how borrowers are represented on kiva.org, from details collected and edited by MFI field staff, to the way that they are photographed in their neediest time, to the way that their information is presented via the Web 2.0 technology.

In addition, Hartley (2010), Liu, et.al (2012), and Chen, et.al

(2013) studied motivation and lending patterns, finding that membership in a lending team was the greatest factor for increasing the number of loans individual lenders would fund, likely due to the fact that the Web 2.0 environment allows team members to refer loans to each other and to compete with other teams to fund the greatest number of loans. Further research, focusing on genre and/or text analysis of such team discussions may be one possible avenue for furthering knowledge about Internet linguistics.

Posteguillo (2004) suggests that research into the discursive layer of online texts (speech acts, genre theory, cybergenres) falls solidly under the purview of “Netlinguistics.” This paper expands the knowledge, in a descriptive sense, of how language is used to achieve a goal: (in the simplest person-to-person scenario) assisting in the movement of financial resources, from one individual, across the globe, to a chosen individual.

In the week in which this article was written, there were over 7,000 kiva loans funding (over 300 web pages of loans), 6,000 of which were loans to individual entrepreneurs. Individuals wishing to select a loan may search the site for appropriate loans, but most searches return multiple pages of results which potential lenders must read prior to selection. Although MFIs have complete freedom to post loan descriptions as they feel fit, loans are generally described in a similar manner, showing evidence of the development of a genre. Miller (1994, in Crowston, 2010) notes that genre development is an instance of typification as those involved in social situations recognize similarities, stabilizing the genre if it proves useful. Additionally, genres need to be accepted across members of a discourse community (Crowston, 2010, p. 6) or community of practice.

This small-scale initial study analyses the generic features of individual borrower descriptions on kiva.org. In the future, these results may be used as a basis for further investigating kiva.org borrower descriptions longitudinally, as well as confirming use of the genre across other crowd-funding sites.

Study

Method

A genre analysis of generic features was undertaken of individual borrower descriptions from kiva.org. Group loans tend to conform to several different patterns due to the complexity of representing groups, so they were not sampled in this study. Salient grammatical and lexical features were noted for each of 20 borrower descriptions and an exemplar text type identified. The selection included one randomly selected loan from each of 20 of the randomly selected 50 countries currently raising funds on kiva.org, and thus representing 20 different MFIs from the 290 currently able to list loans via the kiva.org platform.

Results and discussion

Links to the loans used in this analysis appear in Appendix 1. The table showing frequency of elements in loans appears in Appendix 2.

Figure 1 shows the first of the randomly sampled borrower descriptions from kiva.org, which includes many of the elements found in borrower descriptions on the site.



Marcos is 47 years old and lives with his partner and daughter in his own house in the district of Pucará, Jaén province, in the Cajamarca region in the northern mountains of Peru. The main economic activities in the district are agriculture, ranching, and commerce.

Marcos works in the sale of rice. He purchases rice in the hull, and sells it after processing it (removing the hull). He has more than five years of experience doing this work, and has very good personal and professional references in the area. The loan will be used to purchase a larger quantity of rice to increase his stock, with which he hopes to increase his income and therefore improve his and his family's quality of life.

Figure 1 : A randomly sampled borrower description on kiva.org
(<http://www.kiva.org/lend/826320>)

The analysis showed that borrower descriptions tend to include up to three sections. In the first section, elements such as the borrower's name, age, family status, place of residence and a brief description of the local area, and loan history may appear. The second section tends to include an explanation of the borrower's employment and/or experience in the business, a note about business or other challenges, and the reason for the loan. The third section tends to include a statement of the borrower's goals or expected result of the loan, and/or their hopes for the future.

However, some of these elements may not be included, and, in fact, one or two of the sections themselves may be omitted. Although the borrower description in Figure 1 only has two paragraphs, it is apparent that the three types of information are contained. Since MFIs write their descriptions in different ways, paragraphs cannot be used to judge textual content. The example in Figure 1 does not include information about loan history, business or other challenges, or hopes for the future.

At the very minimum, the borrower description includes the borrower's name and usually family status, the explanation of the borrower's business, some indication (whether stated or implied) of the length of time they have been involved in the business, the reason for the loan, and the goal or expected outcome of the loan. There may be some variation in order that these elements appear, as in Figure 2.



Update on Alex

Alex, who operates a clinic, is a married man living in Kagadi, Uganda. He started his business to supplement the income he earns from civil service. He desires to grow his clinic despite challenges of competition. Alex is asking for a loan to buy medicine for his clinic.

Figure 2 : Example of a minimal borrower description
(<http://www.kiva.org/lend/826287>)

Identifying generic features of borrower descriptions on Kiva.org

In addition, borrower descriptions may include a thank you note to lenders, either those providing the current loan opportunity (loan #8) or lenders on a previous loan (# 13). Finally, in Muslim areas in which it is unseemly for women to appear in a photograph, a male relative will appear, and a note will be added prior to the borrower description proper (as in loan #5).

The guide in Table 1 below collates the information collected through the analysis. This information is useful in terms of analyzing loans on kiva.org as a basis for a longitudinal study for evidence of a developing genre, for comparing and contrasting borrower descriptions of group vs. individual loans, or for comparing to other crowdfunding sites for evidence of a wider shared genre type. It is also a useful resource if introducing kiva.org in the classroom.

Table 1 : Representation of kiva.org borrower descriptions

(Optional)	Statement that husband appears in photograph in lieu of wife (Middle East only)
(Required)	Name
(Optional, but usual)	Family status
(Optional)	Place of residence
(Optional if place of residence is included)	Details of area of residence
(Optional)	Loan history
(Required)	Explanation of the borrower's employment
(Required, whether stated or implied)	Experience in the business
(Optional)	Business or other challenges
(Required)	Reason for the loan
(Required)	Statement of the borrower's goals or expected result of the loan
(Optional)	Borrower's hopes for the future.

Classroom applications

Introducing students to Kiva borrower profiles in the classroom provides excellent reading practice, engages students due to the real life nature of the profiles, can motivate them to read more than is necessary, and inspires them to learn about the different countries in which borrowers live. Borrower profiles can be used in at least two ways, depending on whether the students have easy Internet access or not.

- (1) In computer classrooms, hand out a copy of an exemplar text. Ensure students can read it, and understand the usual pattern. Remind them that although this pattern is common, there are likely to be differences. Ask students to search through the kiva.org borrower profiles in small groups and to select which borrower they think the teacher should loan to. Give any parameters at that time (loans under 15 months; women; no group loans; etc). Give groups 40 minutes to select a loan. Then allow groups to present about their loan and for all groups to finally select together one loan that the teacher will support.
- (2) For classes held in classrooms in which students have no Internet access, after providing and explaining the exemplar text, give each group five different loans from which they choose one. It is a good idea to limit each group to loans from a single country. Groups follow the same process as those in the computer room, selecting one loan and presenting their reasons for selection to the class, determining one loan to support. As homework, students can research the country from which their loans originated, and give a group presentation in the following class.

Conclusion

Kiva.org and the MFIs face a difficult decision in the ongoing development of how borrower descriptions are presented. On one hand, if the exemplar is routinized and MFIs follow it closely as the number of loans on offer on the site continues to expand, time will be saved in collating borrower information, and readers will be able to sift for information quickly due to the lightening of cognitive processing load. On the other hand, it will become difficult for MFIs to ensure that any single loan can stand out from the mix of loans offered by them or other MFIs via the kiva.org platform, and lenders may feel that they are not becoming acquainted with those to whom they are contributing funding. It is unlikely that the genre will be encouraged to devolve into a template-like typicalisation.

Future studies will confirm whether the model offered here is robust enough to be applied across crowdfunding platforms, and how much the genre has developed over the years. Sheppard and Watters (1998, in Posteguille, 2004) suggest that change is the key to the Internet, and that genres commonly evolve. It remains to be seen whether developments in web technology circumvent typicalisation trends and encourage further changes in this genre.

Until more research has been conducted, this initial analysis offers a reference point for both analyzing borrower descriptions on kiva.org and as a guide for students in the classroom.

References

- Chen, R., Chen, Y., Liu, Y., & Mei, Q. (2013). Social Identity in Online Microfinance: A field experiment at Kiva. Retrieved from www.uta.fi/yky/en/studies/disciplines/northamericanstudies/summer_school/2013_Yan_Chen_Kiva_Experiment_2013_06_60min.pdf.

- Choo, G., Lee, C., Lee, D., Zha, H., & Park, H. (2014). Understanding and promoting Micro-Finance Activities in Kiva.org. *WSDM '14: Proceedings of the 7th ACM international conference on Web search and data mining*, pp. 583-592. Retrieved from
<www.cc.gatech.edu/_joyfull/resources/2014_wsdm_kiva.pdf>
- Crowston, K. (2010). "Internet Genres". In M. Bates & M.N. Maark, *Encyclopedia of Library and Information Science*, 3rd edition. U.K., Taylor Francis. Retrieved from
<crowston.syr.edu/sites/crowston.syr.edu/files/elischapter.pdf>
- Hartley, S. (2010). Kiva.org: Crowd-Sourced Microfinance & Cooperation in Group Lending. *HLS Scholarly Articles*. Harvard: Harvard Law School. Retrieved from
<dash.harvard.edu/handle/1/3757699>
- Jenq, C., Pan, J., & Theseira, W. (2011, August). What do donors discriminate on? Evidence from Kiva.org. Paper presented at *Asian Meeting of the Econometric Society*, Seoul, South Korea. Retrieved from:
<riped.utcc.ac.th/wp-content/uploads/2012/03/Dr_Jessica_Pan_30_March_2012.pdf>
- Liu, Y., Chen, R., Chen, Y., Mei, Q., & Salib, S. (2012). "I loan because...": understanding motivations for pro-social lending. *WSDM: Proceedings of the 5th ACM international conference on Web search and data mining*, pp. 503-512. Retrieved from
<sitemaker.umich.edu/roywchen/files/i_loan_because.pdf>
- Posteguillo, S. (2004). Netlinguistics and English for Internet Purposes. *Iberica* (4), p. 21-38. Retrieved from
<aelfe.org/documents/text4-Posteguillo.pdf>
- Yartey, F.N. (2013). Microfinance, Digital Media and Social Change: a Visual Analysis of kiva.org. *Communication & Social Change*, 1(1), 63-89. Retrieved from
<hipatiapress.com/hpjournals/index.php/csc/article/view/723/pdf>

Appendices

Appendix 1 : List of analyzed loans

	URL	Name	Country
1	http://www.kiva.org/lend/826320	Marcus	Peru
2	http://www.kiva.org/lend/825539	Florence	Kenya
3	http://www.kiva.org/lend/823563	Oleg	Ukraine
4	http://www.kiva.org/lend/822664	Jose Fabian	Colombia
5	http://www.kiva.org/lend/812298	ysoon	Jordan
6	http://www.kiva.org/lend/826159	Ayesha	Pakistan
7	http://www.kiva.org/lend/824894	Yesenia Cesibel	El Salvador
8	http://www.kiva.org/lend/826749	Siti Ribut	Indonesia
9	http://www.kiva.org/lend/826753	Liberty	Philippines
10	http://www.kiva.org/lend/826754	Trung	Vietnam
11	http://www.kiva.org/lend/826739	Sainjargal	Mongolia
12	http://www.kiva.org/lend/825440	Kanaiym	Kyrgyzstan
13	http://www.kiva.org/lend/826717	Quendrim	Kosovo
14	http://www.kiva.org/lend/826711	Fatima	Yemen
15	http://www.kiva.org/lend/826714	Adrine	Uganda
16	http://www.kiva.org/lend/826705	Mohammad	Palestine
17	http://www.kiva.org/lend/814343	Jose Mercedes	Nicaragua
18	http://www.kiva.org/lend/825577	Mame Ndiak	Senegal
19	http://www.kiva.org/lend/825904	Maria	Timor-Leste
20	http://www.kiva.org/lend/819420	Samui	Samoa

Appendix 2 : Frequency of elements in borrower descriptions

Element	Appearing in loan # (see Appendix)	Total (/20)	Example(s)	Notes
Age	1, 3, 4, 5, 6, 7, 8, 10, 11, 12, 14, 15, 16, 17, 20	16	<ul style="list-style-type: none"> ● Marcos is 47 years old... ● At 19 years of age... ● Sainjargal, 42, ... ● ... a 65 year old mother.... 	Optional, but common
Family status	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20	19	<ul style="list-style-type: none"> ● ... lives with his partner and daughter... ● ... a married mother of four children ... ● Jose's family ... ● ... is a single mother and has one daughter... 	Appears in all but one borrower description. In loan number 19, the family relationships are not specified, but "for her family" is.
(Self) Description	2, 5, 6, 9, 15, 17, 18	7	<ul style="list-style-type: none"> ● ... has very good personal and professional references in the area... ● ... describes herself as "promising" 	Optional: may appear in either 1 st or 2 nd part
Place of residence	1, 9, 10, 11, 14, 15, 16	7	<ul style="list-style-type: none"> ● ... in the district of Pucara... ● is from Stebnik 	Optional
Brief description of home area	1, 10, 11, 14, 16	5	<ul style="list-style-type: none"> ● The main economic activities in the district are agriculture, ranching, and commerce ● ... the second largest city in Mongolia 	Optional
Loan history	10, 13, 18	3	<ul style="list-style-type: none"> ● ... has successfully repaid 1 loan... ● ... is again asking for another loan ● ... has already profited from two loans 	Optional: information may appear anywhere in description

Identifying generic features of borrower descriptions on Kiva.org

Explanation of employment /business	1-20	20	<ul style="list-style-type: none"> ● ... works in the sale of rice ● ... operates a tailor shop 	Required. Although this information may be found anywhere in the description, it tends to be located in the second part.
Experience in business	Stated: 1, 2, 3, 6, 7, 9, 10, 11, 12, 16, 17, 18, 19, 20 Implied: 4, 5, 8, 13, 14, 15	14 stated /6 implied Total: 20	<p>Stated:</p> <ul style="list-style-type: none"> ● He has more than five years of experience <p>Implied:</p> <ul style="list-style-type: none"> ● ... has always worked as ... has taken over the reins of the business 	Required: Although length of time in business is not required, some evidence of a business history is required
(Business) challenges	2, 6, 10	3	... her biggest business challenge to be fluctuation of prices	Optional
Reasons for requesting funding	1-20	20	... to purchase a larger quantity of rice to increase his stock	Required
Goal/expected outcome of loan	1-20	20	Her business goal is to own a large tailoring shop within five years	Required
Hopes for the future	1, 7, 8, 9, 10, 13, 14, 18, 19, 20	10	<ul style="list-style-type: none"> ● Her main dream is to return to her studies in business administration... ● ... hopes to build a small bakery 	Optional: Located at end of description