Tropentag, September 16-18, 2026, hybrid conference

"Towards multi-functional agro-ecosystems
promoting climate resilient futures"

Digital credit governance in kenya: is the borrower a silenced subject?

Morine Anyim

Daystar University, Institute of Policy and Development Studies, Kenya

Abstract

Kenya's launch of M-PESA in 2007 marked a global milestone in digital financial innovation, extending financial services to millions of previously unbanked citizens (Central Bank of Kenya, 2019). The rapid growth of digital credit platforms followed, offering easy access to loans disbursed through mobile phones based on algorithmic assessments by lenders. However, this expansion has produced troubling outcomes. Over-indebtedness, high default rates, and predatory lending practices have emerged as serious governance challenges disproportionately affecting low-income borrowers (Kaffenberger & Chege, 2016). The regulatory framework governing digital credit remains weak, particularly on matters of consumer protection. Primary actors, including the Central Bank of Kenya and lending institutions, have not meaningfully involved low-income borrowers in governance decisions that affect their financial lives. True participation extends beyond mere access to financial services (Singh, 2019). This study argues that information asymmetry is a key driver of financial exclusion in low- and middle-income countries. When lenders and borrowers lack equal access to information, the poor struggle to make sound financial decisions (Lean & Tucker, 2001; Kim, 2023). Existing research on digital credit governance relies on top-down models that treat borrowers as data points rather than as people with legitimate knowledge drawn from lived experience. These models overlook the voices and agency of the very communities they claim to serve. This paper proposes Participatory Communication theory, rooted in the work of Freire (1970) and elaborated by Servaes (1999), as an alternative analytical framework that centres borrower participation in governance processes. The paper pursues three objectives: explaining how participatory communication theory shapes development communication research, examining digital credit governance through this framework, and identifying the theory's strengths and limitations in addressing consumer protection challenges in Kenya's digital lending landscape.

Keywords: Communication, development, digital, exclusion, financial, Kenya, participatory

Contact Address: Morine Anyim, Daystar University, Institute of Policy and Development Studies, 27823, 00100 Nairobi, Kenya, e-mail: atienoanyim@gmail.com