# Digital Alternative Finance and Youth Entrepreneurship in Developing Economies: A Systematic Review of Peer-To-Peer Lending and Crowdfunding

**Gbenga Ayeni**

**MRes in Management Studies, York St. John University (London) United Kingdom.**

**Msc Finance, Ekiti State University (Ado Ekiti)**

**DOI: https://doi.org/10.47772/IJRISS.2026.101000103**

**Received: 08 October 2026; Accepted: 13 October 2026; Published: 30 October 2026**

## ABSTRACT

Limited access to formal finance is often caused by collateral requirements, weak credit history, financial literacy or institutional constraints, and is a common problem for young entrepreneurs in developing economies. While digital alternative finance, in general, and specifically peer-to-peer (P2P) lending and crowdfunding, has emerged as a potential solution to expanding access for entrepreneurs to capital, evidence on the relevance of the latter to youth entrepreneurship is still fragmented. In this study, literature was systematically reviewed to identify the forms of digital alternative finance, barriers and enablers to access and use, and financial, entrepreneurial and inclusion-related outcomes of digital alternative finance. Following the PRISMA 2020 framework, studies published between 2020 and 2026 were identified through Scopus, Web of Science, EBSCO Business Source Complete and supplementary Google Scholar searches. The 15 peer-reviewed studies were selected and thematically synthesized after screening and eligibility checks. The analysis was informed by information asymmetry theory and signalling theory, and involved separating out the evidence focused directly on youth and other supporting evidence from entrepreneurial, SME and alternative-finance research. The findings show that the financing opportunities of crowdfunding and other P2P lending and similar digital-finance mechanisms can be widened, though the access and outcomes are not uniform. The influence of trust, credibility of the platform, prior borrowing experience, financial literacy, platform design, institutional infrastructure and regulatory support become important influences. The review also highlights ongoing gender gaps and indicates that financial inclusion is not necessarily achieved through a digital approach. The study has added a theoretically grounded synthesis which demonstrates that effectiveness of digital alternative finance relies on the interactions of platform characteristics, credible information, institutional conditions and entrepreneurs' capabilities.

**Keywords:** Digital alternative finance; Peer-to-peer lending; Crowdfunding; Youth entrepreneurship; Financial inclusion; Developing economies

## INTRODUCTION

Young entrepreneurs in developing countries continue to face a lack of access to finance as one of their most enduring challenges. Despite all efforts, lack of financial access is still a significant problem for a large number of entrepreneurs, especially in developing nations, and the financing gap for MSMEs is still massive (Kitić, Radišić and Takači, 2025; Senou and Manda, 2022). This constraint is particularly severe for young people, who are over-represented as being excluded from formal credit markets. Access to finance is one of the key challenges that remain for youth entrepreneurship in Africa. African Development Bank Group (2021) reports that nearly 83% of the 18 million youth who enter Sub-Saharan Africa's labor market annually are unemployed, and although entrepreneurship is seen as a potential solution to the continent's massive youth unemployment, low levels of investment, access to finance, and quality business development services prevent this opportunity from being realised. This funding constraint is also reflected in the analysis of policy at the regional level: the African Union–ILO Youth Employment Strategy (2024) states how the lack of access to finance — partly because the

regulations hinder it, partly because that many young entrepreneurs lack collateral — is a major constraint that limits the expansion of youth businesses, and thus needs to be addressed with the support of formal and communal financial institutions. The survey data at the household level confirms this trend at the national level in Benin: nationally representative survey data that included over 900 young people (Senou and Manda, 2022) showed that access to finance was one of the most important constraints to rural youth's success in new business ventures. Further evidence from the World Bank's Global Findex research on Sub-Saharan Africa indicates that the availability of formal financial services, such as mobile money and saving accounts, is correlated with positive business investment and youth productivity outcomes for young entrepreneurs, thus reinforcing the positive link: increased access to formal finance correlates with better youth enterprise outcomes (Alhassan and Koaudio, 2019). The evidence from the continental development institutions, regional policy institutions and peer-reviewed household survey research reveals a structural financing gap that threatens youth entrepreneurship and its ability to contribute to job creation and poverty reduction in low- and middle-income economies in Africa.

In this context, digitally facilitated alternative sources of financing (such as peer-to-peer (P2P) lending and crowdfunding) have become important, although under-researched, means by which young entrepreneurs may be able to bypass the traditional collateral and credit history requirements. According to Li, Cabano and Li (2023), the most common crowdfunding models fall into four categories: donation-based, reward-based, equity-based, and lending-based (peer-to-peer), with each providing a unique benefit to startups that don't have access to institutional funding. Although alternative finance began to build momentum in developed markets, a growing proportion of this momentum is now coming from emerging markets, where there is plenty of room for additional growth. This is reflected in the scale of Kiva's lending since it opened in 2005: it has supported loans worth more than US$2.1 billion to more than 5 million borrowers across 83 countries with a repayment rate of 96.3% (Thompsett, 2025) .

The academic body on P2P lending and crowdfunding in developing economies is still rather disjointed and less than comprehensive in youth context. Studies recently conducted systemically indicate that under-served population and SMEs can be reached through P2P lending using technology such as blockchain, AI, and big data; and that successful scalable models exist in Indonesia, China, and India (Kumar et al., 2023; Mora-Cruz and Palos-Sanchez, 2023) . The same study, however, uncovers longstanding challenges that run from regulatory uncertainty, low digital literacy, data asymmetry and infrastructure constraints, to a lack of empirical validation and limited consideration of user experience and trust mechanisms. Concurrently, there has been parallel research on prosocial and refugee-oriented P2P lending, which highlights that vulnerable and marginalised populations are often denied access to traditional forms of financing and a focus on microfinance, crowdfunding and P2P lending emerges as a new financing option tailored specifically to seed entrepreneurship amongst these groups. In spite of the rising popularity of P2P lending and crowdfunding, no previous systematic review has specifically focused on P2P and crowdfunding as financing tools for young entrepreneurs in developing-economy settings, which is the purpose of this review.

The aim of this study is to carry out a systematic literature review guided by the PRISMA framework on digital alternative finance and youth entrepreneurship, focusing on peer-to-peer lending and crowdfunding as financial instruments for young entrepreneurs. The review brings together evidence on the variety of types of digital alternative finance documented in the literature, the barriers and enablers to access and use, and the financial, entrepreneurial, and inclusion-related impacts of the alternative finance mechanisms.. (RQ1) What forms of digital alternative finance, particularly peer-to-peer lending and crowdfunding, are reported in the literature on youth entrepreneurship in developing economies? (RQ2) What barriers and enablers influence young entrepreneurs' access to and use of digital alternative finance? (RQ3) What financial, entrepreneurial and inclusion-related outcomes are associated with the use of digital alternative finance by young entrepreneurs? The review synthesizes this dispersed evidence and provides guidance for the design of the platform, policy, and future research.

## THEORETICAL FRAMEWORK

The theoretical frameworks used in this review are complementary, namely the information asymmetry theory and signaling theory. Peer-to-peer lending markets are characterized by the need for strong, timely, and accurate

information from all parties, and when these requirements are not met, signals are used by both borrowers and lenders to communicate their intentions and position in the lending market (Ribeiro-Navarrete et al., 2021). Information asymmetry places youth entrepreneurs at a disadvantage, as they do not have the collateral, credit history or verifiable track record used by formal lenders to determine risk—hence information asymmetry being the theoretical reason for their exclusion from formal finance.

A complementary process to solve this issue is provided by signaling theory of digital platforms. Signaling theory explains how the quality of entrepreneurs can manage information asymmetry and ease uncertainty of the resource holders by communicating through signals, which are observable bits of information that accurately inform the quality of the signaling party (Colombo, 2020). In the case of crowdfunding, signals from the campaign design (e.g., videos) and from the creators themselves (e.g., their expressed experience) can alleviate concerns about the quality of the project and the credibility of the creators, while online communication among creators and supporters can help reinforce these signals (Steigenberger, Garz and Cyron, 2024;Wang et al., 2021).

These theories are used to provide a coherent analytical structure for this review: Information asymmetry theory explains why youth entrepreneurs have difficulties accessing formal and informal capital (RQ2); Signaling theory explains how P2P lending and crowdfunding platforms overcome youth entrepreneurs' problems regarding access to formal and informal capital, and how they lead to success (RQ2 and RQ3). This dual lens is used to interpret the results that are obtained in Section 4 (Results) and Section 5 (Discussion).

# METHODOLOGY

This review followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 guidelines to ensure transparent and reproducible reporting. The PRISMA 2020 statement offers revised reporting guidance, which draws on new techniques for identification, selection, appraisal and synthesis of studies (Page et al., 2021)**.**

## Protocol and Registration

All methodological decisions were made a priori and are detailed below, in compliance with PRISMA 2020 guidelines, and this review was not formally pre-registered (as does not fit the health-based registries like PROSPERO).

## Eligibility Criteria

The inclusion criteria aimed at selecting literature that addresses issues regarding digital alternative finance and youth entrepreneurship in developing economies and provides flexibility to study populations, financial mechanisms, and the research design. Given the variation in literature that does not consistently focus on young entrepreneurs and specific alternative-finance mechanisms in the same study, a two-tier eligibility framework was used to distinguish between core evidence and supporting evidence. This distinction allowed the review to incorporate relevant contextual and theoretical knowledge while refraining from considering all of the studies included as evidence for the effects of peer-to-peer (P2P) lending or crowdfunding on the entrepreneurship of youth.

Core evidence were peer-reviewed journal articles that explicitly analysed youth, young entrepreneurs or youth entrepreneurship in developing or emerging economies in the context of P2P lending, crowdlending or crowdfunding. These were broken down into four types of models: lending, equity, reward, and donation-based models, with the study including a financial study component if there was evidence of relevant crowdfunding models. Studies that focused on the finance available to young entrepreneurs or young entrepreneurs and entrepreneurial activity at large, but did not specifically make any direct statements about the impact of P2P lending or crowdfunding were not taken as direct evidence of these impacts; rather, they were viewed as supporting evidence that helped explain the more general financing constraints for youth entrepreneurs.

Supporting evidence included peer-reviewed studies that did not meet all the elements of the core criteria, but that were able to make a clear contribution to the research problem of the review. This covered SME- or entrepreneur-based crowdfunding and/or P2P lending studies, systematic reviews, bibliometric studies and wider research into alternative finance, where the study participants were not limited to being exclusively young. Studies that looked at FinTech, mobile money, digital payments or blockchain-based financial services could only be considered supporting evidence if they provided a clear link to entrepreneurial finance, financial inclusion, platform use or financing context within which P2P lending and crowdfunding takes place. However, these studies were not designed to determine the impact from P2P lending or crowdfunding, but rather to provide context for the findings. Research on entrepreneurial finance from countries outside of one's own was accepted where it was conceptually relevant and/or provided comparative or mechanism-specific insights that were relevant to the review, but the applicability of the results to developing economies was not assumed.

Studies were included if they were published in peer-reviewed academic journals, the study period was within the set range of the review (2020-2026), and identifiable empirical, theoretical, conceptual or review-based evidence was reported, which was relevant to at least one of the research dimensions of the review. Qualitative studies, quantitative studies, mixed methods studies, and systematic reviews and bibliometric research were included. The various designs captured the interdisciplinary aspects of the topic and enabled the review to examine evidence related to financing access, platform uptake, entrepreneurial intentions, funding outcomes, implementation challenges. However, results were explained within the framework of the specific design, study population, geographical setting, and funding structure of each study.

Studies were excluded where they were not peer-reviewed journal articles; fell outside the specified publication period; focused on digital technologies or financial services without a meaningful connection to entrepreneurship, entrepreneurial finance or financial inclusion; or provided insufficient relevant information to address the review questions. Studies focusing exclusively on high-income economies were not included as core evidence, although relevant studies could be retained as supporting evidence where they contributed to understanding the operation of P2P lending or crowdfunding. Duplicate records were removed before screening, and records were assessed against the eligibility criteria at title-and-abstract and full-text stages.

The classification of studies as core or supporting evidence was a key part of the synthesis. Core studies informed conclusions about youth entrepreneurship and alternative finance most directly, whereas supporting studies provided contextual, conceptual or mechanism-specific insights. Hence, evidence of other FinTech services, general evidence of SME financing or entrepreneurship in other geographical contexts was not interpreted as comparable to evidence focused on young entrepreneurs' use of P2P lending or crowdfunding services.

Table 1: PICOS Table

| Element | Definition | Reflected in the 15 Studies |
|---|---|---|
| P-Population & Evidence | **Direct evidence:** Study specifically examining young entrepreneurs or youth entrepreneurship.<br>**Supporting evidence:** Entrepreneurs, SMEs or related populations where findings provide relevant contextual or theoretical evidence for understanding youth access to digital alternative finance | 8 studies are youth-specific (e.g., Senou & Manda; Festa et al.; Isaga; 7 address entrepreneurs/SMEs generally as supporting evidence |
| I- Intervention/ Concept | Digital alternative finance mechanisms, with particular emphasis on peer-to-peer lending, crowd lending, and crowdfunding. | Crowdfunding, P2P lending/crowdlending and broader alternative-finance/FinTech mechanisms are represented in the evidence base, with some studies covering more than one mechanism. |
| C-Comparator | Not applicable; comparative/cross-country studies retained for contextual | Block et al. (2020) compares crowdfunding vs. ICOs; Mora-Cruz & Palos-Sanchez situates Latin |

| | | |
|---|---|---|
| | and regulatory insight | America within global trends |
| O-Outcome | Funding access/success, business survival, financial inclusion, entrepreneurial activities. | Empirical outcomes (e.g., 15.2% entrepreneurship probability increase in Senou & Manda) and conceptual outcomes (e.g., theoretical bases mapped in Camilleri & Bresciani) |
| S-Study Design/Context | Empirical, bibliometric, and conceptual/foundational studies; developing-economy focus preferred but not exclusive; 2020–2026 | All the 15 studies fall within 2020–2026; all are peer-reviewed journal articles indexed in Scopus and/or Web of Science |

**Information Sources**

The bibliographic databases employed in the literature search were the main databases Scopus, Web of Science, and EBSCO Business Source Complete. Additional searching and citation tracking were conducted in Google Scholar. The literature searches included the period 1 January 2020 to 31 July 2026. Search date, number of records returned and search syntax were recorded individually for each database. Search results were exported for deduplication and screening. The supplementary search was documented to differentiate the records identified via Google Scholar and citation tracking from the records identified via the main databases.

**Search Strategy**

The search strategy combined three concept groups: youth entrepreneurship, P2P lending and crowdfunding, and developing-economy settings. The following search structure was used as the starting point and adapted to the syntax of each database as presented in the table below:

Table 2. Database-specific search strategy

| Databases | Field Searched | Full String | Limit Applied | Date Searched | Record |
|---|---|---|---|---|---|
| Scopus | TITLE-ABS-KEY | TITLE-ABS-KEY(("youth entrepreneur*" OR "young entrepreneur*") AND ("peer-to-peer lending" OR "P2P lending" OR crowdlending OR crowdfunding) AND ("developing countr*" OR "developing econom*" OR "emerging econom*" OR "low-income countr*" OR "middle-income countr*" OR Africa OR Asia OR "Latin America")) | 2020–2026; English; Peer-Reviewed | 20/05/2026 | 35 |
| Web of Science | Topic (TS=) | TS=(("youth entrepreneur*" OR "young entrepreneur*") AND ("peer-to-peer lending" OR "P2P lending" OR crowdlending OR crowdfunding) AND ("developing countr*" OR "developing econom*" OR "emerging econom*" OR "low-income countr*" OR "middle-income countr*" OR Africa OR Asia OR "Latin America")) | 2020–2026; English; peer-reviewed | 08/06/2026 | 25 |
| EBSCO Business | Abstract (AB) | AB(("youth entrepreneur*" OR "young entrepreneur*") AND ("peer-to-peer | 2020–2026; | 18/06/2026 | 15 |

| | | | | | |
|---|---|---|---|---|---|
| Source Complete | | lending" OR "P2P lending" OR crowdlending OR crowdfunding) AND ("developing countr*" OR "developing econom*" OR "emerging econom*" OR "low-income countr*" OR "middle-income countr*" OR Africa OR Asia OR "Latin America")) | English; peer-reviewed | | |
| Google Scholar | Anywhere in article | "young entrepreneurs" OR "youth entrepreneurship" "peer-to-peer lending" OR crowdfunding OR crowdlending "developing countries" OR Africa OR "emerging economies" | Anywhere in article; first 20 hits screened | 02/07/2026 | 20 |
| Citation chasing | Reference lists/forward citations of included studies | young entrepreneurs" OR "youth entrepreneurship" "peer-to-peer lending" OR crowdfunding OR crowdlending "developing countries" OR Africa OR "emerging economies" | | 31/07/2026 | 5 |

**Selection Process**

The selection process was conducted in line with the PRISMA 2020 framework. 15 duplicate records were identified and removed from the records that were retrieved from the principal databases and supplementary searches were exported to Rayyan. The remaining 85 records were screened by title and abstract, resulting in the exclusion of 40 records. The full texts of 45 reports were sought for retrieval, of which three could not be retrieved. The other 42 full text reports were considered for eligibility. Twenty-seven reports were excluded for the following reasons: wrong population (n = 10), wrong context (n = 9), and publication that was not peer-reviewed (n = 8). Thus, 15 studies met inclusion criteria and were included in the review. The process of selecting and the number of records in every step of the process are displayed in the PRISMA flow diagram (Figure 1)..

**Data Extraction**

A pilot run of a standard extraction form was undertaken in a subset of included studies which was subsequently modified for a full extraction.The extracted variables included author(s) and year, country or region, study design and sample, platform type, theoretical framework, reported barriers and enablers, and outcomes measured. Two reviewers (The Author and the independent reviewer) were involved in the data-extraction process, with a second reviewer checking the extracted information for accuracy .

**Study Quality Appraisal**

The methodological quality of the 15 studies included in the review was manually assessed using a short checklist, based on existing critical appraisal guidance such as the Critical Appraisal Skills Programme (CASP, 2018). No specific critical appraisal software was used. The four broad questions used to assess were: Are the aims of the research clearly stated; Was the research design and method(s) used suitable to the research aims and were they adequately described; Was the sample, data or literature base on which conclusions were drawn, clearly reported; and Was the evidence presented in the conclusions sufficiently sound as not to overstate the findings.

These four questions were used to judge each study and a qualitative rating of low, moderate or high quality was assigned for each study. For empirical studies, the assessment focused on the research design, sampling, data collection, analysis, and interpretation of findings. For systematic reviews, bibliometric studies, and conceptual papers, greater emphasis was placed on the transparency of the literature selection, analytical approach, theoretical reasoning, and support for the conclusions. The quality assessments were considered alongside the

extracted study characteristics when interpreting the findings. In particular, attention was paid to the discrimination between direct evidence related to youth entrepreneurship and supporting evidence related to other aspects of entrepreneurship and SMEs. This way, the findings were based on the evidence presented and its credibility.

### Data Synthesis

Given the anticipated heterogeneity in study designs, contexts, and outcome measures, a meta-analysis was not appropriate. In contrast, the results were then analyzed using a thematic approach, which was organized around the three question areas (platform models, barriers/enablers, outcomes) and interpreted using the information asymmetry and signaling theory framework that was proposed in Section 2. Findings are disaggregated where relevant by region and platform type, to reveal contextual patterns.

## RESULT/FINDINGS

Fig 1: The PRISMA 2020 statement: an updated guideline for reporting systematic reviews.

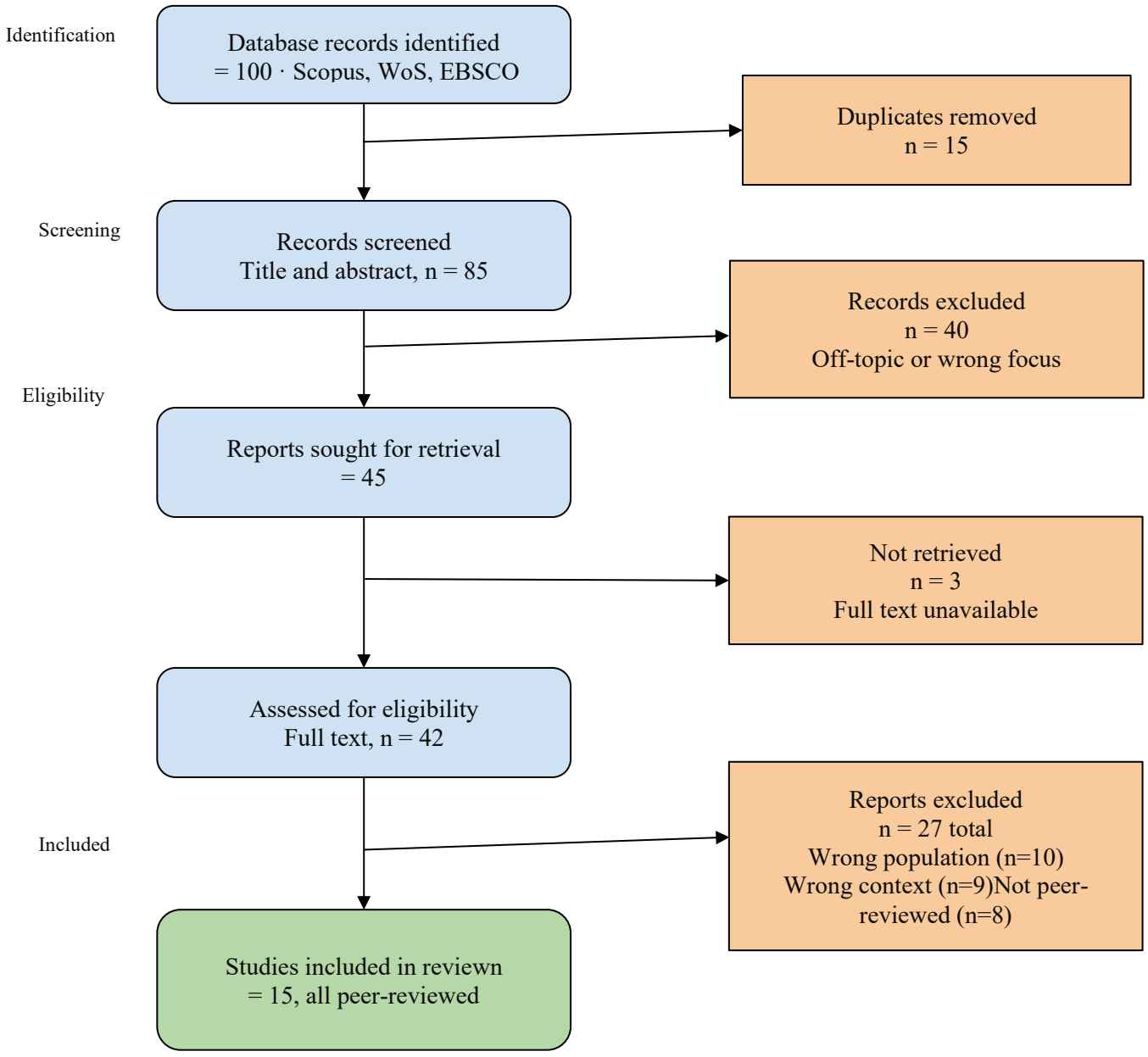


Figure 1. PRISMA 2020 flow diagram of the study identification, screening, and inclusion process. Adapted from Page et al. (2021).

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue X October 2026

Table 3 — Characteristics of Included Studies

| S/N | Author(s), Year | Country/Region | Design & Method | Platform/Mechanism | Sample/Data | Key Findings | Evidence Relevance |
|---|---|---|---|---|---|---|---|
| 1 | Mora-Cruz & Palos-Sanchez (2023) | Latin America | Systematic review + bibliometric analysis | Crowdfunding (reward, equity, lending) | 55 articles (from 1,032 screened) | Crowdfunding research is expanding; offers entrepreneurs alternative financing and investors new capital channels | Supporting |
| 2 | Ribeiro-Navarrete et al. (2021) | Global | Bibliometric mapping | P2P lending (crowdlending) | Bibliometric corpus | Core research themes: information asymmetry, social capital, communication channels, rating-based models | Supporting |
| 3 | Senou & Manda (2022) | Benin | Quantitative — endogenous switching regression + PSM | Access to finance (rural youth entrepreneurship) | 900+ youths, School-to-Work Transition Survey | Access to finance raises youth entrepreneurship probability by 15.2%; 5.24% gender gap | Core |
| 4 | Boudreau et al. (2021) | Global | Mixed-methods (theoretical + empirical case) | Donation/reward-based crowdfunding | Single representative case study | Non-pecuniary motivations, not tangible project value, primarily drive crowdfunding contributions | Supporting |
| 5 | Fareed & Viotto (2025) | Developing countries | Quantitative — endogeneity-corrected causal analysis | Pro-social crowdfunding | Platform-level lending data | Crowdfunding expands capital access but doesn't necessarily reach the most vulnerable; interest rates unchanged | Core |
| 6 | Camilleri & Bresciani (2022) | Global | PRISMA-guided systematic review | Crowdfunding (equity, P2P, rewards) | 72 articles (Scopus & WoS) | Maps theoretical bases (RBV, TPB, diffusion of innovation, signaling theory) for crowdfunding research | Supporting |
| 7 | Kumar et al. (2024) | India | Quantitative — cross-sectional, PLS-SEM | Crowdfunding adoption (SME financing) | 422 SME owners/managers, Indian NCR | Performance expectancy, social influence, and facilitating conditions predict crowdfunding adoption intention | Supporting |
| 8 | Festa et al. (2023) | Tunisia | Quantitative — survey + regression | FinTech (crowdfunding, mobile payment, blockchain) | 93 young Tunisian (potential/actual) entrepreneurs | Crowdfunding knowledge/access positively predicts entrepreneurial intention; mobile | Core |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | payment effect negative/insignificant | |
| 9 | Machkour & Abriane (2026) | Emerging economies | Systematic review + narrative synthesis | Alternative finance | 106 peer-reviewed studies | Frugal entrepreneurial ecosystems, digital tools and alternative finance can strengthen access to finance, resilience and SME performance, with incubators and innovation hubs playing a supporting role | Supporting |
| 10 | Isaga (2025) | Tanzania | Qualitative case study (interviews + thematic analysis) | Crowdlending | 15 young entrepreneurs (successful crowdlending borrowers) | Financial necessity and limited bank access drive adoption; high interest rates, intermediary costs, and low platform literacy are key barriers | Core |
| 11 | Ayeni (2026) | Global (women/youth focus) | PRISMA-compliant systematic review | FinTech (crowdfunding, digital payments) | 15 peer-reviewed articles (2008–2025) | FinTech access does not automatically equal empowerment; digital literacy, institutions, and infrastructure moderate outcomes | Core |
| 12 | Ayeni (2025) | Latin America, South Asia, Sub-Saharan Africa | Qualitative case study analysis | FinTech (mobile money, digital payments) | Case studies: Paystack, GCash, M-Pesa | FinTech improves financial access and entrepreneurship, but cybersecurity, regulatory gaps, and digital divide remain barriers | Core |
| 13 | Abdullah (2025) | Indonesia | Mixed methods, surveys, interviews and case studies | Crowdfunding/FinTech | 176 survey respondents, 33 interviews and case studies | Platform design, operational efficiency and regulatory support enhance trust and platform credibility, supporting sustainable and inclusive crowdfunding. | Supporting |
| 14 | Emanuel-Correia et al. (2022) | Developing countries (refugee entrepreneurs) | Quantitative — large-scale loan campaign analysis | Pro-social P2P lending | 180,000+ business loan campaigns (2015–2018) | P2P financing boosts refugee entrepreneurs' funding success, especially with prior borrowing history; gender discrimination against female | Core |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | refugees found | |
| 15 | Block et al. (2020) | Global | Conceptual/comparative editorial | Crowdfunding vs. initial coin offerings (ICOs) | (comparative market analysis) | Identifies structural differences (stakeholders, regulation, market development) between crowdfunding and ICO markets | |

**Study selection**

Following the PRISMA 2020 screening process (Figure 1), 15 peer-reviewed studies met the eligibility criteria and were included in this review. All studies included were published in Scopus and/or Web of Science and/or Google Scholar indexed journals and all 15 of them (100%) were published within the last six years (2020–2026), which shows the review is based on recent literature and truly represents the currency of this research area.

**Study characteristics**

The 15 studies included all shared the following characteristics as summarized in Table 3. The evidence-base consists of geographically distributed evidence, covering Sub-Saharan Africa (Benin, Tanzania), North Africa (Tunisia), Indonesia, South Asia (India), and Latin America, in addition to several bibliometric and conceptual global analyses. Methodologically, the sample is heavily skewed towards quantitative survey-based designs (n = 7), and qualitative case studies (n = 2), with the remaining representative study being a mixed-methods approach (n = 1), and one being a systematic/bibliometric (n = 5) approach. 8 studies (53%) provide core evidence (directly examining the engagement of youth entrepreneurs with a P2P lending platform, crowdfunding platforms or FinTech contexts) in a developing economy context (e.g., Senou & Manda, 2022; Isaga, 2025), and 7 studies (47%) provide supporting evidence (theoretical, bibliometric or comparative) (e.g., Ribeiro-Navarrete et al., 2021; Camilleri & Bresciani, 2022; Machkour & Abriane, 2026; Abdullah, 2025).

**Thematic findings**

*Platform models and mechanisms (RQ1)*

The literature reviewed in this study shows that there are four types of platforms used for alternative financing of youth entrepreneurs, namely the reward-based, equity-based, trade invoice and factoring; and lending based ( P2P lending) (Mora-Cruz & Palos-Sanchez, 2023; Camilleri & Bresciani, 2022). A few studies have built on this typology for other FinTech mechanisms that are located in the same space as crowdfunding and operate as part of a broader digital finance system; namely, mobile money, digital payments and blockchain-based tools (Festa et al., 2023; Ayeni, 2025). A point of special interest is that while previous typologies focused on platforms, Isaga (2025) discovered that youth entrepreneurs in Tanzania do not often use crowdlending platforms directly, but instead go through intermediaries of some sort, suggesting that the pathways they take in the "real world" are more complex and mediated than the literature assumes.

*Barriers and enablers (RQ2)*

The barriers reported from the various studies fall into three groups. First, financial and structural barriers have been identified as a major constraint on achieving the benefits of crowdlending for the youth in Tanzania (Isaga, 2025) and by Fareed and Viotto (2025), who found that while the platforms increase the reach of borrowers, they do not necessarily reduce the reach gap to increasingly marginal borrowers, and interest rates are not necessarily lowered. Second, knowledge and literacy barriers: in Portugal for comparative example, young potential entrepreneurs showed moderate knowledge of the crowdlending phenomenon, and were not able to explore higher complexity models such as lending and equity crowdlending (Bernardino & Santos, 2020);

similarly, in Tanzania, Isaga (2025) found that young people did not have much knowledge of the crowdlending process. Third, institutional and infrastructural barriers: Ayeni (2025, 2026) highlights cybersecurity risk, regulatory fragmentation, and digital differences between urban and rural areas as cross-cutting obstacles, and warns against a "techno-optimistic" view that digital access will inevitably lead to entrepreneurial empowerment.

Enablers were also designed in a similar fashion. Abdullah (2025) found that platform design, operational efficiency and regulatory support strengthened trust and platform credibility in Indonesia, while Machkour and Abriane (2026) highlighted the role of frugal ecosystems, digital tools and alternative finance in strengthening access to finance and entrepreneurial resilience in emerging economies. Among young Saudi entrepreneurs for comparative instance, trust and perceived risk were significant factors in influencing entrepreneurial intention (Alshebami, 2022), and in Tunisia, it was not blockchain or mobile payment per se, but rather crowdfunding-specific knowledge and access that most strongly influenced entrepreneurial intention (Festa et al., 2023). At the platform-design level, Boudreau et al. (2021) discovered that non-pecuniary motivations, not the actual value of the project outputs, are most important for motivating a contribution to crowdfunding campaigns, which has implications for how platforms and campaign designers can better signal legitimacy to potential funders (see Section 2, Theoretical Framework).

*Outcomes (RQ3)*

Economic and social outcomes have been reported. Youth entrepreneurship was enabled by access to finance in Benin with a 15.2% increase, and young women experienced a 5.24% disadvantage (Senou & Manda, 2022). Emanuel-Correia et al. (2022) analyzed more than 180,000 loan campaigns for refugees and refugee entrepreneurs to examine the impact of P2P financing on the funding success of these entrepreneurs, and to identify any discrimination faced by female refugee entrepreneurs compared to non-refugee counterparts, and found that P2P financing significantly increases the funding success of refugee entrepreneurs, especially those with previous experience, but also noted discrimination against female refugee entrepreneurs relative to their non-refugee counterparts, with the same gender-gap pattern seen in Benin. From a macro perspective, Ayeni (2026) finds a positive correlation between digital financial inclusion and youth labour force participation and women-led SME performance, while noting that this is not a causal relationship, as there are mediating factors such as digital capability, financial literacy and institutional quality that relate to the impact of digital finance platforms on the performance of SMEs.

*Synthesis Summary*

The 15 studies covered collectively highlight how youth entrepreneurs' interactions with P2P lending and crowdfunding are influenced not only by platform availability, but also by a multifaceted mix of factors, including financial literacy, trust, institutional quality, and gender, which affect the likelihood of funding access. This is in line with the dual theoretical framework put forward in Section 2, which suggests that the barriers to youth entrepreneurship reported across contexts (Section 4.3.2) can be understood through information asymmetry, characteristics and actions associated with successful youth entrepreneurs can be understood through signalling theory as factors that enable some entrepreneurs to access opportunities that others may not. In Section 5 (Discussion), these patterns are explored in more detail, as well as the implications of the theory and policy.

# DISCUSSION OF FINDINGS

## Theoretical synthesis

The results in Section 4 are directly comparable with the dual theoretical framework set up in Section 2. Information asymmetry theory explains the persistent structural barriers documented across contexts. From Tanzania's crowdlending borrowers who had to pay high intermediary fees because they did not have direct access to the platform (Isaga, 2025), to Benin's rural youth where access to finance (not just to borrow) was still a limiting factor for entrepreneurship (Senou & Manda, 2022), these were among the collateral, verifiable credit history and formal financial track record that were cited in each geography as a root cause of the lack of access to finance. A finding of particular interest is by Fareed and Viotto (2025) who found that, while crowd-funding

platforms do increase the number of borrowers reached, they do not necessarily result in better reach to the most information opaque (and often most vulnerable) entrepreneurs: in other words, digital platforms do not necessarily eliminate information asymmetry, they just reduce it – and those who are already able to provide an information signal are better reached.

To understand how some youth entrepreneurs manage to face this "residual asymmetry", signaling theory has been applied. Themes of trust and credibility are identified throughout the updated evidence base. Abdullah 2025, for instance, demonstrated that providing platform design, efficiency and regulatory support can build trust and platform credibility, while others noted that prior borrowing experience and providing information that was credible in terms of funding outcomes were important. In fact, Boudreau et al. (2021) found that the primary motivation behind a contributor's giving in a crowdfunding campaign is a feeling of non-pecuniary value, not some objective measure of the actual value of the project, just as the substitution mechanism signaling theory would predict. Emanuel-Correia et al.'s (2022) finding that the refugee entrepreneurs who had previous borrowing experience had significantly better outcomes in accessing funding further demonstrates this: a track record of repayments acts as a strong and credible signal to bridge the information gap created by refugee status alone.

Combined, these two theories form a multi-layered picture of access to financing for the youth: the initial exclusion condition is information asymmetry, while signaling capacity in the form of platform design, track record, digital literacy and social communication determines which youth entrepreneurs can partially overcome that exclusion condition. Critically, this review's findings suggest signaling capacity is not evenly distributed. This synthesis helps support Ayeni's 2026 warning of the dangers of a "techno-optimistic" view of platforms leading to empowerment, when, in the absence of financial literacy, institutional quality, and youth digital skills, youth entrepreneurs lack the signals necessary to ensure a successful funding opportunity.

**The Gender Dimension**

A pattern that cuts across both theoretical lenses, and across otherwise disparate contexts, is gender. Senou and Manda (2022) revealed a 5.24 percentage point gender gap in Benin, and Emanuel-Correia et al. (2022) identified gender discrimination in refugee entrepreneurs compared to their non-refuge counterparts, based on more than 180,000 loan campaigns. The cross-over between the two datasets, one nationwide and one household survey in West Africa, indicates that the effects of gender-based information asymmetry (for example, gender assumptions on creditworthiness) and gender-based signal discounting (for example, the funders discounting female generated signals) may interact — a dynamic that might not have been captured in either theory alone and should be highlighted as a key focus for future efforts on theory building.

**Implications**

Platform developers should recognise that reducing transaction costs alone may not be sufficient to improve access to alternative finance. The evidence points to a need for features in the platform to actively promote the creation and verification of credible information. Information asymmetry can be lessened and trust increased by, for example, structured borrower-history verification, transparent intermediary processes, and ways to make relevant information more accessible. Abdullah (2025) showed that platform design and operational efficiency combined with supportive regulators can foster trust and platform credibility for crowdfunding; Machkour and Abriane (2026) argued that digital tools and alternative finance play a pivotal role in the frugal entrepreneurial ecosystems.

The results also indicate the need for an adequate institutional and infrastructural framework for platform development. The findings from the studies reviewed suggest that factors beyond just the platform itself, such as the broader institutional and technological landscape, also influence the outcomes of digital finance (Ayeni, 2025, 2026). For this reason, digital literacy programs, financial information, and clear regulations should be part of the digital finance platform, rather than just added on. These conditions are especially critical for young entrepreneurs, as access to a platform does not always translate to effective or sustainable access to finance. Hence, the need to take platform credibility, trust, regulatory clarity and tools to entrepreneurs to prove their reliability into account still remains relevant for both platform developers and policymakers.

**Limitations of the Review**

There are a number of limitations in this review. First, the scope of the enlarged eligibility criteria was essential given the scarcity of studies that examined youth entrepreneurship, developing economies and peer-to-peer lending and crowdfunding at the same time. This means that the evidence base consists of primary studies specifically relating to the review population and phenomenon as well as supporting studies that offer relevant evidence from the wider entrepreneurial, SME, alternative finance or FinTech contexts. The conclusions are hence somewhat varied in terms of their nearness to the young entrepreneurs.

Second, the studies included a variety of research designs, samples, geographical settings, platform models and outcome measures. This methodological and conceptual heterogeneity makes conclusions about the generalisability of results difficult, and statistical meta-analysis ill-suited. This synthesis, therefore, is based on thematic and narrative interpretation instead of pooled effect estimates.

Third, only literature in English and peer-reviewed research was reviewed. This could have meant that information from relevant studies conducted in other languages, especially in Francophone Africa and other developing-economy regions was ignored. There may also have been database selection bias as well as the exclusion of relevant studies by the authors in databases other than Scopus, Web of Science, EBSCO, and supplementary Google Scholar searches.

Fourth, classification of studies as core or supporting evidence was a matter of interpretive judgement. This distinction was made because of the unavailability of wider evidence as direct evidence of young entrepreneurs, but it can make the synthesis somewhat subjective. Further, the limited geographical and contextual coverage is provided by the small final evidence base of the 15 studies.

Last, the protocol was not registered formally in the review and the evidence presented is susceptible to publication bias as the search was limited to published, peer reviewed research. The results should therefore be considered as indicative of developing trends, and not as statistically generalizable estimates. It would be helpful for future reviews to include a larger number of empirical studies, the majority of which must be directly focused on youth, as well as to have a larger database, the addition of grey literature and regional-language literature, and a formal protocol registration.

## CONCLUSION

This systematic review synthesized 15 peer-reviewed studies published between 2020 and 2026 to analyse the role of peer-to-peer lending, crowdfunding and other forms of digital alternative finance in helping young entrepreneurs finance their enterprises in developing economies. Taking on the information asymmetry theory and the signalling theory approach, the review suggests that the Digital AF can increase entrepreneurial finance opportunities, although the access and impacts are not uniform across populations and contexts. Structural factors such as poor institutional and digital infrastructure, financial literacy, and limited collateral and credit history remain to influence how much entrepreneurs can access digital financing platforms.

The evidence also indicates that information quality, trust, platform credibility, previous borrowing experience, and social influence may lead to adoption of the platform and/or funding outcomes. These relationships must not be interpreted as generalisable causal effects, however, as there are significant variations in the populations, research designs, research settings, platform models, and outcome measures in the studies included.

The review also indicates that the benefits of digital alternative finance cannot be isolated from the institutional and social conditions within which platforms operate. While digital platforms can potentially offer new finance sources, they are not enough to achieve meaningful financial inclusion. Entrepreneurs' capacity to provide reliable information, grasp the principles of digital financial services, satisfy platform standards and function in enabling regulatory and infrastructural frameworks continues to be significant. Further gender-specific analysis is warranted, as this can be a potential interaction between information asymmetry and existing gender inequalities. However, the current evidence is not conclusive, and should be regarded as a viable research area rather than a result we can conclude.

These findings have several implications. Longitudinal and intersectional studies should be pursued and evidence should be scaled up for other under-represented developing-economy contexts, such as Francophone contexts. Researchers also need to clearly differentiate between research findings which directly address young entrepreneurs and research findings from the larger population of entrepreneurs or SMEs. Platform developers would be wise to think about ways in which credible information and increased trust are created rather than just transaction-cost reduction. However, digital literacy, regulatory clarity and supportive institutional infrastructure are important complements to the growth of alternative-finance platforms, and should be considered by policymakers. Overall, the findings indicate that there is a potential for digital alternative finance to play a significant role in financing entrepreneurs in developing economies, yet, whether it helps entrepreneurial inclusion among youth will depend on the interplay of platform features, credible information, institutional context and the capabilities of entrepreneurs.

## REFERENCES

1. Abdullah, G. I. (2025). FinTech and the development of crowdfunding models in Indonesia. Indonesian Journal of Law and Economics Review, 20(4).https://doi.org/10.21070/ijler.v20i4.1323
2. African Development Bank Group. (2021, May 15). Background. African Development Bank Group. https://www.afdb.org/en/events/roundtable-scaling-financing-youth-and-innovation-africa/background
3. Alhassan, T. F., & Koaudio, A. J. (2019). Mobile money development in sub-saharan Africa: Its macroeconomic effects and role in financing development. Advances in Economics, Business and Management Research. https://doi.org/10.2991/iscde-19.2019.60
4. Alshebami, A. S. (2022). Crowdfunding platforms as a substitute financing source for young Saudi entrepreneurs: Empirical evidence. SAGE Open, 12(3), 215824402211265. https://doi.org/10.1177/21582440221126511
5. AU-ILO. (2024). AU-ILO youth employment strategy for Africa (YES-Africa). https://www.ilo.org/sites/default/files/2024-09/AU-ILO%20Youth%20Employment%20Strategy%20for%20Africa.pdf
6. Ayeni, G. (2025). FinTech solutions, financial inclusion and sustainable economic growth in developing countries. African Journal of Stability and Development (AJSD), 17(1), 265–295. https://doi.org/10.53982/ajsd.2025.1701.13-j
7. Ayeni, G. (2026). Inclusive entrepreneurship through fintech: A systematic review of evidence centered on women and youth. Ayden Journal of Management and Social Sciences, 14(1). https://doi.org/10.5281/zenodo.19368478
8. Bernardino, S., & Santos, J. F. (2020). Crowdfunding: An exploratory study on knowledge, benefits and barriers perceived by young potential entrepreneurs. Journal of Risk and Financial Management, 13(4), 81. mdpi. https://doi.org/10.3390/jrfm13040081
9. Block, J. H., Groh, A., Hornuf, L., Vanacker, T., & Vismara, S. (2020). The entrepreneurial finance markets of the future: A comparison of crowdfunding and initial coin offerings. Small Business Economics, 57. https://doi.org/10.1007/s11187-020-00330-2
10. Boudreau, K. J., Jeppesen, L. B., Reichstein, T., & Rullani, F. (2021). Crowdfunding as donations to entrepreneurial firms. Research Policy, 50(7), 104264. https://doi.org/10.1016/j.respol.2021.104264
11. Camilleri, M. A., & Bresciani, S. (2022). Crowdfunding small businesses and startups: A systematic review, an appraisal of theoretical insights and future research directions. European Journal of Innovation Management, 27(7). Researchgate. https://doi.org/10.1108/ejim-02-2022-0060
12. Colombo, O. (2020). The use of signals in new-venture financing: A review and research agenda. Journal of Management, 47(1), 014920632091109. https://doi.org/10.1177/0149206320911090
13. Critical Appraisal Skills Programme. (2022). Systematic reviews checklist - CASP. CASP - Critical Appraisal Skills Programme. https://casp-uk.net/casp-tools-checklists/systematic-review-checklist/
14. Emanuel-Correia, R., Duarte, F., Gama, A. P. M., & Augusto, M. (2022). Does peer-to-peer crowdfunding boost refugee entrepreneurs? Finance Research Letters, 46, 102264. https://doi.org/10.1016/j.frl.2021.102264
15. Estrin, S., Khavul, S., Kritikos, A. S., & Löher, J. (2024). Access to digital finance: Equity crowdfunding across countries and platforms. PLoS ONE, 19(1), e0293292–e0293292. https://doi.org/10.1371/journal.pone.0293292

16. Fareed, F., & Viotto, J. (2025). Crowdfunding platforms and financial inclusion: Fulfilled promise or disillusion? Finance Research Letters, 73, 106642. https://doi.org/10.1016/j.frl.2024.106642
17. Festa, G., Elbahri, S., Cuomo, M. T., Ossorio, M., & Rossi, M. (2023). FinTech ecosystem as influencer of young entrepreneurial intentions: Empirical findings from Tunisia. Journal of Intellectual Capital. https://doi.org/10.1108/jic-08-2021-0220
18. Isaga, N. (2025). Motivations and challenges of youth entrepreneurs in Tanzania to participate in crowdlending based financing platform. International Journal of Finance &Amp; Banking Studies (2147-4486), 14(3), 44–53. https://doi.org/10.20525/ijfbs.v14i3.4384
19. Kitić, A., Radišić, M., & Takači, A. (2025). Bridging entrepreneurial intention and action: How financing models shape the growth of innovative SMEs in widening countries. Administrative Sciences, 15(11), 419–419. https://doi.org/10.3390/admsci15110419
20. Kumar, D., Phani, B. V., Chilamkurti, N., Saurabh, S., & Ratten, V. (2023). Filling the SME credit gap: A systematic review of Blockchain-based SME finance literature. Journal of Trade Science, 11(2/3), 45–72. https://doi.org/10.1108/jts-06-2023-0003
21. Kumar, J., Rani, M., Rani, G., & Rani, V. (2024). Crowdfunding adoption in emerging economies: Insights for entrepreneurs and policymakers. Journal of Small Business and Enterprise Development, 31(1), 55–73. https://doi.org/10.1108/jsbed-05-2023-0204
22. Li, Y., Cabano, F., & Li, P. (2023). How to attract low prosocial funders in crowdfunding? Matching among funders, project descriptions, and platform types. Information & Management, 60(7), 103840. https://doi.org/10.1016/j.im.2023.103840
23. Machkour, B., & Abriane, A. (2026). Frugal entrepreneurial ecosystems and alternative finance in emerging economies: Pathways to resilience and performance and the role of incubators and innovation hubs. Journal of Risk and Financial Management, 19(1), 55. https://doi.org/10.3390/jrfm19010055
24. Mora-Cruz, A., & Palos-Sanchez, P. R. (2023). Crowdfunding platforms: A systematic literature review and a bibliometric analysis. International Entrepreneurship and Management Journal, 19. https://doi.org/10.1007/s11365-023-00856-3
25. Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., Akl, E. A., Brennan, S. E., Chou, R., Glanville, J., Grimshaw, J. M., Hróbjartsson, A., Lalu, M. M., Li, T., Loder, E. W., Mayo-Wilson, E., McDonald, S., … Moher, D. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. Systematic Reviews, 10(1). https://doi.org/10.1186/s13643-021-01626-4
26. Ribeiro-Navarrete, S., Piñeiro-Chousa, J., López-Cabarcos, M. Á., & Palacios-Marqués, D. (2021). Crowdlending: Mapping the core literature and research frontiers. Review of Managerial Science. https://doi.org/10.1007/s11846-021-00491-8
27. Sanga, B., & Aziakpono, M. (2023). FinTech and SMEs financing: A systematic literature review and bibliometric analysis. Digital Business, 3(2), 100067–100067. https://doi.org/10.1016/j.digbus.2023.100067
28. Senou, M. M., & Manda, J. (2022). Access to finance and rural youth entrepreneurship in Benin: Is there a gender gap? African Development Review, 34(1), 29–41. https://doi.org/10.1111/1467-8268.12623
29. Steigenberger, N., Garz, M., & Cyron, T. (2024). Signaling theory in entrepreneurial fundraising and crowdfunding research. Journal of Small Business Management, 1–26. https://doi.org/10.1080/00472778.2024.2412710
30. Thompsett, L. (2025). Top 10 peer-to-peer lending platforms. In Fintechmagazine.com. Bizclik Media Ltd. https://fintechmagazine.com/articles/top-10-peer-to-peer-lending-platforms
31. Turguttopbas, N. (2022). Peer-to-peer lending in US and China: A guide for emerging market countries. Universal Journal of Finance and Economics, 2(1), 16–30. https://doi.org/10.31586/ujfe.2022.346
32. Wang, N., Liang, H., Xue, Y., & Ge, S. (2021). Mitigating information asymmetry to achieve crowdfunding success: Signaling and online communication. Journal of the Association for Information Systems, 22(3), 773–796. https://doi.org/10.17705/1jais.00679