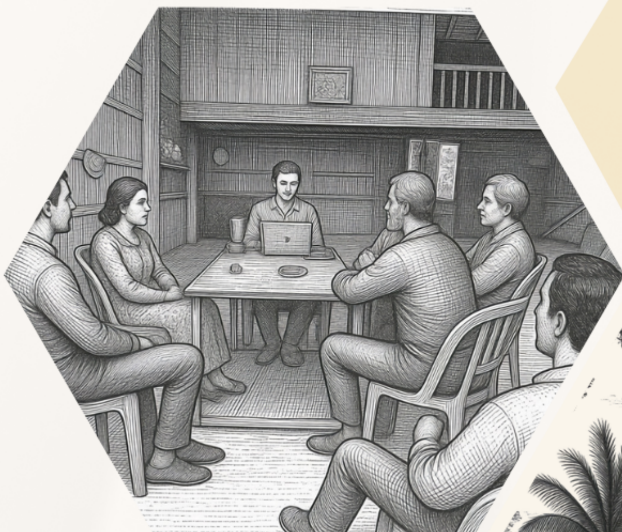
CERISE+SPTF

RIFF-SEA

Debt, Dignity, and the Path Between

Lessons from Ratanakiri's indigenous communities on debt and financial well-being



August 2026

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Abbreviations

CSO	Civil society organization
DFI	Development finance institution
FGD	Focus group discussion
FSP	Financial Service Provider
GDP	Gross Domestic Product
IDPoor	Identification of Poor Households Programme
KII	Key informant interview
MFI	Microfinance Institution
SPTF	Social Performance Task Force
USD	United States Dollar
VDC	Village debt counselor

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Executive Summary

Purpose and Scope

This report presents findings from a qualitative study examining the financial well-being of debt-stressed Indigenous communities in Ratanakiri Province, northeastern Cambodia. It is intended for financial service providers, policymakers, and development practitioners working at the intersection of inclusive finance and consumer protection. The report identifies the structural, behavioral, and social mechanisms that enable or hinder financial well-being among Indigenous households, offering recommendations for more equitable and culturally responsive financial systems.

Background

Cambodia has one of the highest levels of microfinance debt per capita globally, and over half of the adult population has accessed formal credit. Indigenous communities in Ratanakiri Province face compounding vulnerabilities, including language barriers, limited financial literacy, and exposure to lending practices, that have contributed to widespread over-indebtedness.

The rapid expansion of formal microfinance into communities that had, until recently, operated through subsistence farming and communal borrowing systems has created significant mismatches between product design and borrower realities. Over-indebtedness in these communities has been linked to land loss, food insecurity, disrupted children's education, and in the most severe cases, psychological distress and self-harm.[1-2]

Key Concepts

This study applies the Cerise+SPTF's Consumer Empowerment framework, which examines financial well-being through four dimensions and further disaggregates these into what borrowers know, feel, and do. A summary of the key concepts can be found in **Appendix A**.

Voice refers to borrowers' ability to use feedback/complaint mechanisms, and their confidence to raise concerns with lenders.
Choice refers to borrowers' knowledge of available options when struggling to repay, and their confidence to explore alternatives.
Respect refers to borrowers' understanding of expected lender conduct, their ability to communicate their circumstances, and their perception of being treated with dignity.
Control refers to borrowers' understanding of how financial decisions affect their household, and their ability to negotiate repayment arrangements.

Methods

The study employed a qualitative research design with 38 respondents from 25 households in Ratanakiri Province, comprising 14 key informant interviews and three focus group discussions. Of the 25 households, 22 were classified as debt-stressed, defined as having experienced or currently experiencing overdue or defaulted formal bank debt within the past three years.

[1] Brook, Jack. (25 Oct 2023). 'I am afraid I will kill myself, like my husband': spotlight on loan firms in Cambodia after Indigenous suicides'. The Guardian. https://www.theguardian.com/global-development/2023/oct/23/cambodia-microfinance-loan-firms-indigenous-people

[2] Iskander, D., Picchioni, F., Zanello, G., Guermond, V., & Brickell, K. (2025). Sick of debt: How over-indebtedness is hampering health in rural Cambodia. Social Science & Medicine, 367, 117678.

Three non-debt-stressed households were included for comparative analysis. Respondents were drawn primarily from Indigenous Tampuen and Kreung ethnic groups, with a smaller proportion of Khmer or mixed Khmer-Indigenous households. All interviews were conducted with the assistance of local translators, and informed consent was obtained from all participants prior to data collection.

Results

Across all four dimensions, findings reveal significant gaps in consumer empowerment among Indigenous borrowers.

On **voice**, limited financial literacy, language barriers, and deference to credit officers constrained households' ability to negotiate loan terms or raise concerns. Debt was openly discussed within communities, but shame was frequently deployed as a collection tool by lenders, suppressing borrower agency.

On **choice**, households often took large loans without fully understanding associated risks, influenced by social norms and optimism about repayment capacity. Climate shocks and volatile crop prices regularly undermined repayment, and informal high-interest loans became a forced coping mechanism, often encouraged by formal lenders to maintain repayment records.

On **respect**, all debt-stressed households reported severely strained relationships with formal lenders, characterized by harassment, coercive collection practices, and a lack of transparency around loan terms and restructuring. Several respondents described signing documents they could not read, raising concerns about informed consent.

On **control**, households reported allocating up to 60-80% of income to loan repayments, leaving little for food, healthcare, or savings. Land liquidation, often at below-market prices, was a common but deeply consequential coping strategy. For Indigenous households, land loss carries cultural and intergenerational significance beyond its economic value.

Conclusion and Recommendations

Across all four dimensions, the central finding is not the absence of policy, but the absence of effective accountability and monitoring mechanisms to enforce existing client protection commitments in daily operations.

The report offers actionable, short- and medium-term recommendations for the following actors, including:

- **Regulators** should intensify supervisory monitoring of financial service providers (FSPs) in high-distress markets; redefine financial health benchmarks; and issue enforceable sanctions and incentive framework.
- **Financial Service Providers (FSPs)** should remediate consent documentation and prohibit coercive collection practices, establish accessible, independent grievance channels; and lend against cash-flow.
- **Development Finance Institution (DFIs) and Investors** should fund consumer empowerment and Independent Mediation; facilitate cross-departmental peer learning; and shift due diligence and covenants from policy to practice.

Introduction

Recent policy frameworks suggest that financial health is shaped by income stability, expense volatility, social networks, intra-household financial roles, and access to appropriate financial services.[3-4]

While often used interchangeably, financial health and well-being are related but distinct concepts, with one focusing on the objective measures and other on the subjective experience.

What is Financial Health?
Financial health is defined as an individual's ability to manage one's finances to meet financial obligations, absorb economic and health shocks, and achieve financial goals.[5]

What is Financial Well-being?
A subjective state influenced by social and cultural systems, reflecting the degree to which an individual's financial situation provide security, preserve dignity, and freedom of choice. [6-7]

As financial health frameworks are increasingly used to guide inclusive finance strategies, there is a growing need to contextualize the concept for vulnerable populations whose financial behaviors are embedded in social and cultural systems.

For this study, we adopt financial well-being as the primary lens of analysis, as it captures the culturally embedded dimensions of the financial experience that objective measures of financial health do not adequately reflect.

Overindebtedness in Cambodia

Cambodia has one of the highest levels of microfinance debt per capita globally, and more than half of the country's adult population has utilized credit or taken out a loan.[8] Indigenous communities who face language barriers, lower literacy levels, and heightened vulnerability to predatory lending practices have suffered from widespread over-indebtedness.[9]

Over-indebtedness in Cambodia has been well documented in academic and policy literature as well as media reporting, with evidence linking high debt burdens to

3 UN Capital Development Fund (UNCDF). (June 2022) Briefing Note 2. Financial health-centric insurance for catalyzing customer wellbeing and business growth. https://www.uncdf.org/article/7780/financial-health-centric-insurance-for-catalyzing-customer-wellbeing-and-business-growth

4 Center for Financial Services Innovation. (May 2017). Beyond Financial Inclusion: Financial Health as a Global Framework. http://www.centerforfinancialinclusion.org/wp-content/uploads/2024/02/FinHealthGlobal-FINAL.2017.04.11.pdf

5 Ibid.

6 Consumer Financial Protection Bureau. (2015). "Financial well-being: What it means and how to help." https://files.consumerfinance.gov/f/201501_cfpb_digest_financial-well-being.pdf

7 Alliance for Financial Inclusion. (April 2020)." Measuring financial health: What policymakers need to know". https://www.afi-global.org/Measurement_framework/Downloads/Measuring%20Financial%20Health.pdf

8 Chheng, Niem. (18 Mar 2025). "CBC: More than half of Cambodian adults in debt." The Phnom Penh Post. https://www.phnompenhpost.com/national/cbc-more-than-half-of-cambodian-adults-in-debt-

9 Human Rights Watch. (24 Sept 2025). "Debt Traps Predatory Microfinance Loans and Exploitation of Cambodia's Indigenous Peoples" https://www.hrw.org/report/2025/09/24/debt-traps/predatory-microfinance-loans-and-exploitation-of-cambodias-indigenous

adverse well-being outcomes, including reduced capacity to cope with medical or economic shocks and compromised health and livelihood decisions.[10-11] In extreme cases, reports have documented severe psychological distress and instances of self-harm associated with aggressive debt collection practices.[12]

Modified Drivers of Financial Well-being

Building on these existing frameworks, Cerise+SPTF proposes two additional drivers of financial well-being: **(1) Mental Health** and **(2) Social Norms and Cultural Expectations.** These dimensions have been found to significantly influence financial decision-making, shaping how individuals perceive risk, manage stress under financial pressure, and navigate expectations imposed by their communities and cultural context. Incorporating these drivers offers a more holistic understanding of financial well-being to account not only for the material and structural conditions, but also for the psychological and social forces that shape financial behavior (**Figure 1**).

The Purpose of the Study

Grounded in two Indigenous communities in Ratanakiri Province, northeastern Cambodia, the study examines how local realities, cultural practices, and structural vulnerabilities shape financial behaviors and well-being among debt-stressed households, with the aim of informing culturally sensitive, equitable, and effective financial policies.

***Figure 1**. Cerise+SPTF Modified Drivers of Financial Well-being*

[10] Women's Banking World. (Dec 2021). Beyond Wage Digitization Financial Capability and Economic Empowerment of Cambodian Women Migrant Workers.

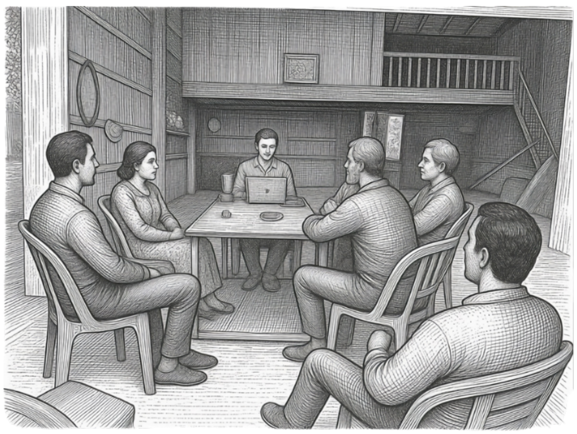
[11] Iskander, D., Picchioni, F., Zanello, G., Guermond, V., & Brickell, K. (2025). Sick of debt: How over-indebtedness is hampering health in rural Cambodia. Social Science & Medicine, 367, 117678.

[12] Brook, Jack. (25 Oct 2023). 'I am afraid I will kill myself, like my husband': spotlight on loan firms in Cambodia after Indigenous suicides'. The Guardian. https://www.theguardian.com/global-development/2023/oct/23/cambodia-microfinance-loan-firms-indigenous-people

Methodology

A Qualitative Approach to Understanding Financial Well-being

The study employed a qualitative research design involving 38 respondents from 25 households in Ratanakiri Province, a remote, north-eastern frontier region. A total of 14 key informant interviews and three focus group discussions were conducted in January 2026.



Debt-stressed[13] and non-debt-stressed households were eligible for inclusion if they had at least one loan with a formal financial service provider and if at least one adult household member was willing and able to participate in the interview for its full duration.

Households were excluded if no adult member could participate, if respondents were unwilling to speak with the researchers, or if they were unavailable for the full interview due to work, family obligations, or health-related reasons.

Who Was Included, and Why

Of the 25 households, 22 (88%) were classified as debt-stressed. They were purposively selected from an existing sample of 105 clients who had previously received Cerise+SPTF financial counseling from the Customer Empowerment Pilot in 2025.

Ratanakiri Customer Empowerment Pilot[14]

The pilot program was implemented by Cerise+SPTF from January to November 2025 in Ratanakiri Province, Cambodia. The pilot combined:

- **Localized delivery of customer empowerment related financial education modules through Village Debt Counsellors** - trusted, community-based facilitators
- **Peer exchange** among borrowers
- **Teachable moments** embedded in real financial decisions
- **Post-module case support** to help participants follow-through post-training

It reached 331 participants across 5 villages, covering approx. 219 unique households.

To enable comparative analysis, three non-debt-stressed households (12%) were also purposively selected from the contacts of the village-debt counselors. They were included to distinguish differences in financial experiences and coping strategies. Purposive selection was conducted based on recommendations from the village chief and village debt counselors (VDC). VDCs were trained members of the indigenous community who currently live in the village,

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13 A household that is currently experiencing or experienced overdue or defaulted formal bank debt within the past three years (operational definition used for this study).

14 Cerise+SPTF. (2026). "From Vulnerability to Voice: Lessons from Ratanakiri's debt stress frontier on pressure, protection, and the reforms needed for customer empowerment". https://en.spi-online.org/news/view/project-report-ratanakiri-cambodia

received specialized financial counseling training from Cerise+SPTF, and possess in-depth knowledge of household financial experiences within their communities.

What We Asked and How We Listened

Respondents were asked questions about financial priorities, coping mechanisms, and community social norms. They were probed on the context of how these impact their lives and enable or hinder their own financial goals. Households were represented by the wife, husband, or both to capture shared and individual lived experiences.

Each interview lasted approximately two hours, with the assistance of local translators. Prior to data collection, informed consent was obtained from all participants. To protect confidentiality, participant identities were anonymized, and audio recordings were securely destroyed after transcription.

Transcripts were stored on password-protected devices with access restricted to the research team, and identifying details were removed or aggregated in reporting.

Four Dimensions of Empowerment. The results were analyzed using a modified framework based on the four dimensions of customer empowerment in finance[15]: voice, respect, choice, and control (**Figure 2**). Following the framework from the previous study by Cerise+SPTF,[16] the findings were further analyzed according to what the customers know, feel, and do. While presented as a progression, these building blocks are not strictly sequential in practice.

Figure 2. *Cerise+SPTF Consumer Empowerment dimensions and their operational definitions*

DIMENSION	KNOW	FEEL	DO
VOICE	Aware of feedback and complaint mechanisms	Willing to raise concerns with trusted actors	Gives feedback or complaints when safe
RESPECT	Knows expected FSP conduct and own repayment responsibilities	Feels able to communicate circumstances and be heard	Feels treated with dignity by FSPs
CHOICE	Knows available options when struggling to repay	Confident to explore and compare alternatives	Asks for and compares repayment options
CONTROL	Understands how past decisions affected financial health	Feels capable of managing revised terms	Negotiates repayment arrangements

15 Koning, A. & G. Murthy. (August 2017). "Customer Empowerment in Finance." *CGAP*. https://www.cgap.org/research/publication/customer-empowerment-in-finance

16 Cerise+SPTF. (2026). "From Vulnerability to Voice: Lessons from Ratanakiri's debt stress frontier on pressure, protection, and the reforms needed for customer empowerment". https://en.spi-online.org/news/view/project-report-ratanakiri-cambodia

Limitations of the Study

As respondents were not randomly selected and were primarily drawn from participants in the previous financial counseling program, insights collected may not capture the full diversity of experiences, particularly those with more positive perceptions of formal financial providers. Additionally, only a small number of non-debt-stressed households were willing to participate in interviews, limiting the study's ability to make robust comparisons between debt-stressed and non-debt-stressed households.

Results and Discussion

Among the respondents, the majority (17 households, 68%) identified as belonging to the indigenous Tampuen ethnic group, with four households (16%) identifying as Kreung and four households (16%) as Khmer or part of mixed Khmer-indigenous households. The full table for demographics of respondents is found in **Appendix B**.

A snapshot of the financial health of the respondents. The average level of outstanding total formal debts per household across respondents is approximately USD 10,000, with individual formal loans reaching up to USD 27,000, excluding interest. Across respondents, 10 different formal banking institutions were identified as active lenders.

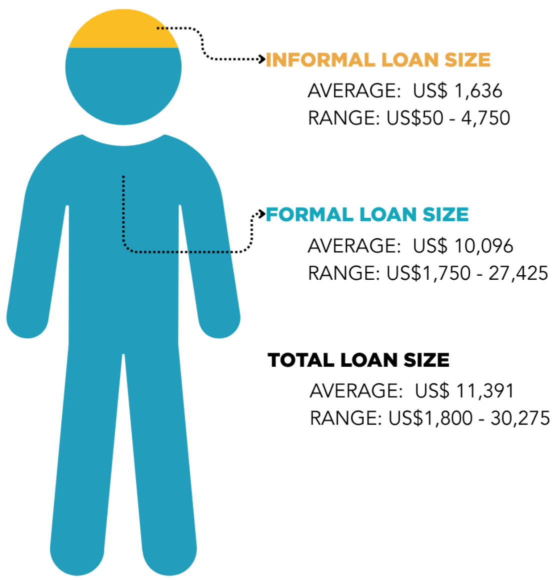
The most frequently cited institution serviced 19 out of 25 households (76%), providing the largest loan amount of $30,000, followed by the second most common lender servicing 8 out of 25 households (32%).

Respondents report that people in their communities typically hold one to two formal loans from banks, in addition to two to three informal loans obtained from relatives or informal moneylenders with varied interest rates and agreements. A summary of the descriptive statistics for loans among the respondents can be found in **Figure 3**.

A Crowded Lending Landscape. Cambodia currently has 89 microfinancing institutions, regulated under the National Bank of Cambodia. Financial sector reforms have contributed to the over-commercialization of the microfinance market, resulting in a highly competitive, oversaturated lending environment that is difficult to regulate effectively.

In this context, loan origination and the enforcement of repayment contracts are often carried out in coordination with the local authorities, including village, district, or commune leaders.[17]

***Figure 3**. Summary Statistics of Outstanding loan sizes (n=25 households)*



Four Dimensions of Empowerment. The findings across all four dimensions are summarized below in **Figure 4**, with each theme expanded in greater detail in the sections that follow.

[17] Green, W. N. (2020). Regulating over-indebtedness: Local state power in Cambodia's microfinance market. Development and Change, 51(6), 1429-1453.

***Figure 4**. Summary of results according to the modified Four Dimensions of Empowerment*

	KNOW	FEEL	DO
VOICE	Unaware of rights or that negotiation was possible.	Shame weaponized by lenders silenced households.	Accepted the credit officer's word as final.
RESPECT	Unreadable contracts, unexplained fees, no flexibility on terms.	Harassment bred anxiety, hopelessness, and family strain.	Compliance to demands out of fear and hopelessness.
CHOICE	Understood loan mechanics but not climate/market risks.	Aspirational borrowing later regretted as burdensome.	Turned to informal loans, then sold land as a last resort.
CONTROL	Clear sacrifice hierarchy with food and health cut first.	Community obligations remain non-negotiable.	Prioritized wage labor, borrowed informally, sold assets.

VOICE

Ability to use feedback and complaint mechanisms. Willingness to provide feedback to trusted actors when it is relevant and safe to do so.

KNOW

Households have limited awareness of borrower rights and financial systems. Most were not aware they could negotiate with lenders until they were told that in the consumer empowerment workshop.

FEEL

Culturally, debt carried no shame within the community, but lenders weaponized shame. Households felt unable to challenge loan officers until the consumer empowerment workshop gave them a legitimate basis to speak.

DO

Without rights awareness or confidence to push back, households accepted the credit officer's word as final.

A recent transition to a cash economy. Indigenous households' capacity to exercise voice in financial decision-making is shaped by structural vulnerabilities linked to their relatively recent transition to a cash-based economy.

Prior to the early 2000s, indigenous communities relied primarily on subsistence farming, bartering, and communal support systems in times of prosperity and economic shocks. From 2013 to 2023, the population of Ratanakiri Province increased by approximately 35%, due to local migration from lowland, non-indigenous Khmer populations.[18]

As Northeastern Cambodia modernized, driven in part by increased settlement of non-indigenous Khmer populations, the country's open trade, and rapid economic growth, cash economies and commercial agriculture expanded, including cashew, cassava, soybean, and rubber plantations.[19-20] Many participants recalled their childhood and parents' livelihoods that were less dependent on monetary transactions, describing life as simpler but more stable.

18 Bourdier, F. (2011). "Under the name of development": The tributary region of Ratanakiri (Cambodia) as a case study for Mainland Southeast Asia. Doctoral dissertation, Royal University of Phnom Penh, Cambodia..

19 Ruohomäki, O. (2004). Encounters in borderlands: Social and economic transformations in Ratanakiri, northeastern Cambodia. *Moussons. Recherche en sciences humaines sur l'Asie du Sud-Est*, (7), 71-94.

20 Padwe, J. (2011). Cashews, cash and capitalism in Northeast Cambodia. Cambodia's economic transformation, 123-153.

What they know: Limited awareness of borrower rights and financial systems. Given the comparatively recent engagement of indigenous communities with formal financial systems (less than 30 years), compounded with language barriers and limited functional financial literacy, households overestimated their capacity to repay large loans while underestimating the risks associated with debt. More than half of respondents (52%) reported having no formal education or only non-formal education, while an additional 34% completed primary school. Only 12% of the sample reported reaching secondary school.

Prior to the consumer empowerment program implemented in August 2025, respondents reported that they had not been informed of these options and did not believe negotiation with lenders was possible. Households were also largely unaware of their rights as borrowers as copies of loan documents were inconsistently filed or sometimes allegedly did not receive copies of documents they had newly thumbprinted, leaving them without record of the new terms or fees they had agreed to.

What they feel: Debt is normalized socially but stigmatized institutionally. As indebtedness within and around the participant communities is widespread and repayment difficulties with formal financial service providers (FSP) are common, debt is not considered a taboo topic. Prior to the expansion of formal microfinance, borrowing was embedded in communal norms of reciprocity and mutual assistance.

Debt is discussed openly within both Tampuen and Kreung communities, and feelings of shame were primarily reported during encounters with FSP credit officers or informal moneylenders, particularly in situations involving harassment or coercive repayment practices.

> *"For us, there is no point in trying to hide our situation. People can see our situation anyway."*
> *- Household 13 respondent*

The weight of a perceived knowledge gap. Low confidence in financial decision-making and deference to the perceived expertise of credit officers further constrained households' willingness to negotiate or resist loan terms. Respondents described feeling unable to challenge loan officers, acutely aware that they were less educated and less financially literate than the agents they were dealing with. This perceived knowledge gap made raising concerns feel not only futile but inappropriate. It was only upon learning their rights during the consumer empowerment workshop that respondents reported feeling entitled to speak, that they had a legitimate basis to question, push back, and expect a response.

What they do: Respondents accept and internalize the misconduct. In the absence of awareness of their rights and with low confidence in challenging loan officers, they did not initially voice concerns or complain when faced with predatory or coercive collection practices. Complaints were not made, terms were not questioned, and the credit officer's word was treated as final. The use of shame as a disciplinary mechanism not only erodes indigenous norms of borrowing but leverages the asymmetry of power to suppress borrower voice and choice, driving inaction independently of whatever knowledge households may hold.

The contrast between the normalization of debt within Indigenous communities and the frequent use of shame as a collection strategy by lenders reflects a clash of values and expectations from both client and service provider. While Indigenous communities historically prioritized communal reciprocity and intergenerational land stewardship, formal financial systems impose more individualized notions of responsibility and discipline, sometimes enforced through coercive practices.

Improvements came with consumer empowerment workshops and borrower rights education. Debt-stressed respondents reported that their willingness and confidence to raise concerns and initiate negotiations with lenders improved only after receiving consumer empowerment support. This support included education on borrower rights, guidance on prioritizing basic household needs over loan repayment, and assistance in identifying alternatives to asset liquidation.

RESPECT

Understanding of expected behaviors from formal financial service providers (FSPs) and one's own repayment responsibilities. Perception of being treated with dignity by FSPs. Ability to communicate financial circumstances and feel heard.

KNOW

Lenders offered no real flexibility on repayment, asked households to thumbprint unreadable documents, introduced unexplained fees, and pursued households through repeated visits and harassment.

FEEL

Harassment and disrespect generated pervasive anxiety, hopelessness, and family strain, which extended to their children's education and psychosocial well-being.

DO

Fear of legal consequences, not informed choice, drove households to sell land and comply with lender demands and comply with straining repayment terms set by lenders.

All debt-stressed households (100%) reported severely strained relationships with formal lenders, characterized by loss of trust stemming from increased harassment and ill-treatment by formal FSP credit officers.

What they were told: A critical rupture in trust related to perceived transparency and unilateral changes in loan conditions. Debt-stressed households reported that banks were unwilling to listen, negotiate, or adjust repayment terms in response to income shocks, instead advising borrowers to take out additional loans, either from the bank or from informal moneylenders with high interest rates, to maintain repayment schedules. Several respondents described being asked to thumbprint documents they could not read, a common practice among Indigenous households with limited literacy, raising concerns about informed consent and understanding of loan terms.

Participants further reported cases in which households had repaid amounts equivalent to the principal but remained indebted due to accumulated interest. Some loan restructuring cases were reported to have had additional fees introduced that increased the total repayment burden without explanation. While the precise incidence of these practices could not be quantified, respondents consistently described them as widespread within their communities, collectively contributing to perceptions of institutional distrust, coercion, and power asymmetries in formal lending services.

Respondents described a pattern of escalating pressure following missed repayments, including frequent phone calls, repeated home visits, and, in some cases, credit officers camping outside their homes for several days. Additionally, **they feel looked down upon and disrespected, as they are called derogatory names.**

> *"They would harass us by tying up their hammocks in front of our homes for three or four days."*
> *- Household 2 respondent*

What they were made to feel: Across all debt-stressed households, respondents reported substantial financial stress affecting mental health and family functioning. Over-indebtedness and harassment from bank credit officers created pervasive anxiety, feelings of hopelessness, sleep disruption, loss of appetite, low energy, and difficulty concentrating. These are consistent with established links between financial stress and adult mental health outcomes (e.g., depression, anxiety, stress-related psychosomatic symptoms leading to suicidal ideations).[21-22]

Debt-induced stress also affected household dynamics, often manifesting as persistent quarrels or reduced family cohesion, though participants reported no physical violence.

> *"Our life with debt is full of misery. You cannot enjoy food. Nothing you eat is delicious. We are always in a bad mood with each other in the family."*
> *- Household 7 respondent*

Negative psychosocial impact on children and family. Children in debt-stressed households were also impacted, contributing to challenges related to educational attainment, cognitive engagement, and socio-emotional well-being. While parents prioritized education above sufficient food, children sometimes dropped out for reasons tied to household financial stress: pooling resources to support a sibling perceived to have higher potential, inability to concentrate due to marital conflict at home, or diminished self-confidence leading them to work for income.

Children who remained in school often lacked resources for school expenses, including snacks. The relative influence of each debt-related factor on school dropout warrants further study.

[21] Lea, S. E. (2021). Debt and overindebtedness: Psychological evidence and its policy implications. Social Issues and Policy Review, 15(1), 146-179.

[22] Hojman, D. A., Miranda, Á., & Ruiz-Tagle, J. (2016). Debt trajectories and mental health. Social science & medicine, 167, 54-62.

How they responded: Financial decision-making influenced by fear and shame. Fear of legal action, court proceedings, and imprisonment, combined with limited knowledge of their legal rights, created intense psychological distress. This stress influenced financial decision-making, such as selling land to avoid legal repercussions or repay loans, illustrating how financial stress can drive coping behaviors with long-term implications for household economic stability. Among households that sold land, all respondents (100%) reported feeling they had no viable alternative but to comply.

"I sold my land because I was terrified of going to court. I would rather commit suicide than go to prison."

- Household 4 respondent

Case study: Debt Servicing without Debt Reduction. A Tampuen household head in Ratanakiri borrowed USD 9,000 from a formal FSP in 2019. Over the subsequent six years, the household made approximately USD 8,000 in principal repayments and an estimated USD 8,800 in interest payments. Earnest attempts were made to meet the repayment schedule by selling land and borrowing from informal moneylenders.

Despite having paid nearly twice the original loan amount, FSP records indicated that the outstanding principal had declined by only USD 500. No explanations were provided for the discrepancy, and inquiries to their assigned credit officer did not yield clarity.

The client described feeling disrespected and devalued by the FSP staff, noting that interactions often involved dismissive or harsh language, a lack of empathy, and disregard for their circumstances and dignity. The respondent reported feeling "looked down on," treated without respect, or sometimes spoken to meanly, which compounded the stress and contributed to a sense of powerlessness.

CHOICE

Knowledge of available options when struggling to repay debt.
Confidence to explore and compare repayment alternatives.

KNOW

Households understood the mechanics of formal loans but not the climate, market, and price risks attached to them, leading them to overestimate repayment capacity and underestimate exposure to shocks.

FEEL

Loans were often driven by social aspiration, particularly housing investments meant to signal status, which, in retrospect, respondents regretted as financially burdensome when harvests underperformed.

DO

Facing repayment shortfalls, debt-stressed households felt no choice but to turn to high-cost informal loans. Without diversified income additional assets, or other safety nets, households felt compelled to sell their land, in part or in whole, despite livelihood consequences and deep cultural significance.

What they know: Households often did not fully understand the associated, possible risks before taking large loans. As the majority of households in the interviewed communities took out loans, they assumed repayment would be manageable, in part because borrowing was a widespread and socially accepted practice.

Social norms and peer behavior reinforced this perception, creating aspiration pressures to invest in housing, land, or other visible markers of status. This combination of social influence and optimism bias increased the risk of over-indebtedness, as households often underestimated the potential financial, market, and climate-related risks associated with their borrowing decisions.

While respondents reported that the mechanics of formal loans were explained to them, potential risks were insufficiently considered in the decision-making process. Loan officers actively encouraged clients to take out loans, and clients proceeded without fully weighing the risks involved trusting that their welfare would be looked after.

Debt-stressed farming households were highly exposed to climate shocks and price volatility, often unable to anticipate infrequent but impactful events such as floods or sudden declines in cash crop prices. Deforestation, water-structure failure (e.g., dam break), and occasional typhoons contribute to

Case study: From Promising Cashews to Distress Land Sale. Prior to having loans, respondent from Household 9 described his household as economically thriving, cultivating traditional local varieties of cashew at almost zero investment. He took out a formal loan when he was encouraged by an agricultural input seller to adopt a new cashew variety marketed as producing biannual harvests with a shorter maturation period.

Under perfect conditions, this would allow for a biannual harvest income. This, however, was contingent on increased use of fertilizer and pesticides, and the higher input requirements rapidly depleted available funds. Subsequent harvesting challenges and unstable market prices prevented timely loan repayment.

As a result, the family decided to sell 2.6 hectares (46% of total land owned) of productive cashew at below market rate to keep up with the formal and informal repayment plans. The proceeds from the land sale were sufficient to repay informal loans in full but covered only the accrued interest on formal bank loans, leaving the principal outstanding.

episodic flooding that has resulted in loss of life, loss of houses, farming equipment, and agricultural production.[23-24] The need and practice for increased agricultural inputs and investment exacerbate these challenges.[25] Several cash flow assessments show that up to half of a household's total yearly income can be spent on agricultural supplies and inputs. Process-related gaps in risk adjustment during loan structuring remain the responsibility of the FSP's risk assessment and due diligence functions.

What they feel: Social norms and cultural expectations influence loan purposes. One participant described how approximately half of households in the village used bank loans to construct larger, private homes. This reflects the ongoing change in community structures and cultural evolution of the communities, as younger families shift from the culture of multigenerational households to independent homes for their new family units.[26] These housing investments also represented an improvement in living standards and pursuit in increased social status, with homes shifting from thatch structures to wood with concrete floors and galvanized roofs.

"All our neighbors were building larger houses made of wood. We thought, why shouldn't we have one too?"
- Household 4 respondent

Two households reported constructing separate homes to move out of their parents'

[23] Sea, Eung. (2 Oct 2025). Floods Sweep Provinces, Devastating Crops and Leaving One Dead, Four Missing. Cambojan News. https://cambojanews.com/floods-sweep-provinces-devastating-crops-and-leaving-one-dead-four-missing/

[24] Anh, N. T. (2016). Effects of natural disasters on agricultural production activities in the cambodia-laos-vietnam development triangle area: Case studies of Ratanakiri (Cambodia), Attapeu (Laos) and Kon Tum (Vietnam) provinces.

[25] Guermond, V., Parsons, L., Vouch, L. L., Brikell, K., Michiels, S., Fay, G., ... & Picchioni, F. (2022). Microfinance, over-indebtedness and climate adaptation: New evidence from rural Cambodia.

[26] Padwe, J. (2011). Cashews, cash and capitalism in Northeast Cambodia. Cambodia's economic transformation, 123-153.

residences, citing improved marital harmony, privacy, and enhanced social status as non-monetary benefits. These households anticipated repaying their loans using annual harvest income; however, volatile market prices and underperforming harvests undermined their repayment capacity. In retrospect, the participants regretted this investment decision, describing new homes as financially burdensome.

What they do: Informal lending as a forced coping mechanism. Informal lending has long existed in the communities, but the rapid expansion of formal credit has intensified dependence on high-cost moneylenders or loan sharks, turning informal loans into a forced coping mechanism for debt-stressed households.

Respondents report that informal moneylenders have always existed. Historically, informal loans carried annual interest rates of 30-50%, but today, rates often range from 20-30% per month, creating a debt trap for families already struggling with formal bank repayments. One respondent reported having paid three times the principal of a single informal loan over three years, yet only covering interest.

The growth of the inclusive finance sector has paradoxically increased demand for accessible short-term cash, and in some cases, formal FSP representatives encouraged clients to take informal loans to stay current on formal repayment plans. As a result, portfolio records may indicate “good credit” while households remain over-indebted under unsustainable interest burdens. Coupled with the sale of productive land, reliance on multiple informal loans pushes families into dire cycles of financial distress, especially under aggressive collection practices.

Growth should proceed at a deliberate pace to avoid unintended negative consequences, a consideration of particular importance given the expansion of digital finance, which exposes elderly and less literate populations to heightened risk.

Classic distress asset liquidation due to the absence of meaningful choice. At the advice of banks, a majority of debt-stressed households resorted to selling portions of their land as a coping strategy. Nearly half of respondents (45.8%) sold less than half of their landholdings, while 25.0% sold more than half. A smaller proportion sold all their land (12.5%). Only 16.7% managed to retain their land entirely (16.7%), indicating that land liquidation is a common but graduated response to financial stress.

> *"There were title fees that they had to pay, so there was very little money left out of the sale. I already sold two plots of land to repay part of the debt, but the loan is still not cleared. I cannot afford to lose my remaining property."*
>
> *- Household 7 participant*

This process acts as a poverty multiplier; households often sell productive land at below-market prices to meet immediate repayment demands, undermining their long-term livelihood capacity. Households that sold all of their land became reliant on daily wage labor, earning approximately USD 3 to 5 per day, making repayment schedules and high-interest obligations almost impossible.

Out of the 22 debt-stressed households who reported taking high interest informal loans to meet formal repayment obligations, two of these were able to clear their informal debts within a year. They reported being able to exit these arrangements by selling cattle or borrowing from relatives, now only holding outstanding debt with formal lenders.

Diversified income offers protection, but masked debt-stress may persist beneath the surface. In contrast, non-debt-stressed households benefited from diversified income streams, including salaried work like government positions, owning small shops, mechanic businesses, and transporting cattle. Livestock and cattle function not only as a livelihood asset but also as a form of savings and risk buffer. Use of livestock as "banks" for consumption smoothing has been extensively observed in other developing contexts in Sub-Saharan Africa and Asia.[27-28] Moreover, those with broader social networks can reduce reliance on over-borrowing and avoid exacerbated debt-stress.

These non-debt-stressed households expressed gratitude for the loans they had received, crediting them with improvements to their businesses and income diversification. However, with at least 60% of their income still directed toward repayments, this raises the question of whether "non-debt-stress", which is defined here by the absence of delinquencies or missed payments, adequately captures the degree of their masked financial strain.

For indigenous households, land loss carries profound cultural and intergenerational consequences. Land is not only a productive asset but is deeply embedded in indigenous identity, spirituality, and social continuity, including beliefs tied to the spirit of the land. Selling land was consistently described as a last resort and one of the clearest markers of severe over-indebtedness.

> *"If we had never borrowed from the bank, we would have never sold our land. It is our children's future and inheritance."*
>
> *- Household 12 Respondent*

While households attempted to preserve productive assets whenever possible, sustained harassment, fear of legal consequences, and escalating psychosocial stress ultimately compelled many to relinquish land despite its long-term costs.

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27 Lange, S., & Reimers, M. (2021). Livestock as a buffer stock in poorly integrated markets. Economic Development and Cultural Change, 69(2), 727-764.

28 Sirisankanan, A. (2015). Risk, uncertainty and consumption-smoothing mechanisms: Evidence from Thai household socio-economic panel data. Journal of Southeast Asian Economies, 163-179.

CONTROL

Understanding how past financial decisions have affected current financial health and how future decisions may affect it. Confidence in managing revised debt repayment terms. Ability to negotiate repayment arrangements.

KNOW

Households have a clear hierarchy of spending priorities with food and health cut first, education and fuel treated as non-negotiable. Repayment obligations often consumed up to 80% of income, leaving little room to act on this knowledge.

FEEL

Community obligations rooted in reciprocity and moral duty remained emotionally non-negotiable, with rising costs of modernized ceremonies adding further financial pressure that households felt bound to meet.

DO

Households prioritized wage labor over farming, borrowed informally as a secondary strategy, and sold land or livestock as a last resort. Financial counseling helped reorder priorities toward basic needs.

Large debt burdens and repayment dominance lead to lost control over household resource allocation.

What they know: Households reported a clear, internal hierarchy of what can and cannot be sacrificed under debt distress (**Table 2**). Prior to receiving financial counseling, respondents indicated that a substantial share of household income, sometimes as much as 60-80%, was allocated to bank loan repayments. When income was insufficient, all households reported reducing food consumption as the primary coping strategy. This included purchasing less meat or supplementing diets through foraging in nearby forests. Some households relied on purchasing rice on credit from small shops owned by community members.

"Our family [of four] eats around a kilogram of meat every day. When money was not enough, we would ration and stretch it out to last three days."

- Household 2 respondent

Medical expenditures were also commonly deferred unless conditions were perceived as life-threatening. Health care costs are largely paid out of pocket, and a single hospitalization could amount to several hundred U.S. dollars. Even households with IDPoor[29] status (16% of respondents), who are eligible for free medical treatment, reported difficulty affording USD 2 to 3 for fuel costs to reach the nearest hospital, located about 20 kilometers away.

> *"I'll wait several days until I can't take the pain anymore before going to the hospital."*
>
> *- FGD 3 respondent*

Motorbike fuel was similarly framed as non-negotiable, as it enables access to markets, wage labor, and essential services. One participant explained that households will always prioritize fuel, as it is a prerequisite for generating income.

Education was widely perceived as a critical long-term investment, despite substantial financial barriers. Secondary schooling requires children to reside in Banlung city, approximately 20 miles outside of the community proper, creating additional costs for tuition, food, and accommodation. These compound existing income volatility and financial vulnerability for families with older children. Nevertheless, both debt-stressed and non-debt-stressed households expressed strong aspirations to support their children's education until they complete secondary schooling.

How they feel: Non-negotiable community obligations and social norms. Community obligations, including contributions to weddings, communal sacrifices, and funerals, operate through feelings and social norms of reciprocity and moral duty. Respondents emphasized that participation is expected of all households, including non-Indigenous residents, as part of maintaining social belonging in the community and mutual support systems. Even when resources are scarce, households reported contributing what they could, often by borrowing from relatives or informal lenders. While elderly individuals or the most financially constrained households may reduce participation in larger ceremonies, they are still expected to assist relatives when directly requested.

Participants also described how the modernization of social practices, particularly weddings, has increased financial pressure. Traditional Indigenous ceremonies, which were historically modest and community-based, have evolved into larger, more costly events influenced by social status aspirations and broader Khmer cultural norms. While some households can afford these expenditures, others reported incurring debt with informal moneylenders to meet rising social expectations.

What they do: Wage labor crowds out farm investment as households chase immediate cash. Indigenous communities utilized a variety of coping mechanisms for debt, but short-term liquidity needs often overrode long-term livelihood considerations. All households supplemented agricultural income with wage labor or secondary income streams, as seen in **Table 2**. Notably, several respondents reported prioritizing wage labor over tending their own farms because it provided immediate cash, even when this undermined long-term agricultural

[29] IDPoor is the identification of poor households programme, which allows qualified citizens to access free healthcare in public facilities through the Health Equity Fund.

productivity. This reflects a classic intertemporal trade-off under financial stress, where urgent liquidity needs crowd out investments in future income generation.

> *"Borrowing money from the bank is like a cancer. You have to spend a lot of money to treat it and it's not easy to treat at all."*
> *- Household 7 respondent*

Land sale remains a last resort, but informal borrowing continues despite near-universal regret. Taking additional loans was widely reported as a secondary coping strategy, while selling land was described as a last resort, undertaken only when households felt they had "no choice." Despite the awareness of the risks associated with informal lending, the debt-stressed households reported feeling compelled to borrow further due to harassment, fear of legal action, and pressure from formal lenders to maintain repayment schedules.

While non-debt stressed households never availed of these high-interest private loans, informal lenders were universally viewed as harmful to the community. The only perceived benefit was temporary access to cash during crises. All households expressed regret over-borrowing from both formal and informal lenders.

It is also worth addressing a common misconception that informal lenders constitute the root cause of client distress. Informal lenders exist to meet a demand for immediate cash access and liquidity during periods of crisis. Were FSPs to fully deliver on their client protection commitments, demand for informal lending may possibly diminish.

Among debt-stressed households, cash savings were nearly nonexistent (and therefore not included in **Table 2**). For the few households able to set aside small amounts every month (USD 1 to 5), savings were quickly depleted by unforeseen medical expenses or school fees, preventing accumulation of precautionary buffers. Prior to borrowing, some households invested in jewelry or livestock as informal savings mechanisms. One debt-stressed household described selling cattle to repay high-interest informal loans, which temporarily restored liquidity and reduced exposure to aggressive debt collection. Asset-based coping strategies are frequently used when they exist in the absence of formal safety nets.

> *"Private loan sharks will not have mercy on you."*
> *- Household 8 respondent*

Counseling improves household dynamics, but informal lenders still come first. Households that received financial counseling reported improvements in psychosocial well-being and household dynamics. Respondents described reduced anxiety and depression, improved intra-household harmony, and a reordering of financial priorities, with food and basic living expenses placed ahead of loan repayment.

However, high-interest informal loans often remained prioritized over formal bank loans due to unregulated and aggressive collection practices. Improved consumer protection and regulatory reforms are necessary to prevent harmful coping cycles and counteract structural pressures within the lending environment.

Table 2. *Mapped Expenditure Cuts to Coping Mechanisms for Debt-Stressed Households*

	Coping Mechanisms				
Expenditure Category (Sacrifice Priority)	**Income diversification / wage labor**	**Informal loan (Relatives / community)**	**Informal loan (Moneylenders)**	**Additional formal loan**	**Selling Land**
Food & Living Expenses First to be reduced	●●● **Primary**	●● Secondary	—		—
Medical Expenses Second to be reduced	●●● **Primary**	●●● **Primary**	●● Secondary	—	—
Community Obligations Third to be reduced	●●● **Primary**	●●● **Primary**	●● Secondary	—	—
Education Non-negotiable	●●● **Primary**	●●● **Primary**	●● Secondary	—	—
Motorbike Fuel Non-negotiable	●●● **Primary**	●● Secondary	—	—	—
Agricultural Input / land Non-negotiable	●●● **Primary**	●● Secondary	●● Secondary	●● Secondary	—
Repayment for family/community (Informal) Highly varied	●●● **Primary**	●● Secondary	—	—	
Loan shark (informal) Repayment Highly varied	●●● **Primary**	●●● **Primary**	●● Secondary	●● Secondary	● Last resort
Formal Loan Repayment Highly varied	●●● **Primary**	●●● **Primary**	●● Secondary	●● Secondary	● Last resort

●●● Primary coping mechanism: most frequently reported as the first response to meeting this expenditure category.

●● Secondary coping mechanism: reported as a follow-on strategy when primary mechanisms were insufficient or unavailable.

● Last resort: used only when all other mechanisms had been exhausted.

— Not reported as a coping mechanism for this expenditure category.

10 Priority Recommendations

Action	Financial Health Outcome

1 Regulators

1. Intensify Supervision in High-Distress Markets - with Technical Assistance *(Short-term*)*

Quarterly supervisory monitoring of FSPs in saturated, high-distress markets, including spot-check audits of informed consent documentation (no thumb-printed/ signed documents clients cannot read; clients retain copies) and collection conduct. Pair every finding with readily available technical assistance so supervision drives remediation, not just citation.

Ends coercive collection and consent failures at the source, protecting borrower dignity, mental health, and land assets.

2 Regulators

2. Redefine Financial Health Benchmarks Beyond Repayment *(Short-term*)*

Require FSPs to monitor and report debt-service-to-income ratios (flagging households above 50%), land retention, and basic well-being indicators, disaggregated for Indigenous, IDPoor, and iliterate clients.

Surfaces masked debt distress before it appears in repayment data, enabling intervention before land sales and informal debt spirals.

3 Regulators

3. Issue an Enforceable Sanctions and Incentive Framework *(Medium-term)***

Publish defined penalties for harassment, shame-based collection, undisclosed restructuring fees, and consent violations, including client restitution. Issue parallel guidance to rebalance loan officer compensation away from portfolio growth targets toward portfolio quality and grievance resolution.

Removes the incentives behind aggressive lending and coercive enforcement in an oversaturated market.

** Short term - 6 months - 1 year*
*** Medium-term - 1 - 2 years*

Action	Financial Health Outcome
4 Financial Service Providers	**4. Invest in Trust-Building as a Recovery Strategy (Short-term)***
Reframe delinquency response around rebuilding the borrower relationship. Retrain credit officers in trauma-informed, culturally respectful communication. Pair collection visits with genuine dialogue about hardship causes and involve trusted intermediaries, such as Village Debt Counselors, instead of facing loan officers alone.	Borrowers who feel heard and treated with dignity are more likely to trust, stay engaged, and communicate hardship early.
5 Financial Service Providers	**5. Remediate Documentation and Prohibit Coercive Collection (Short-term*)**
Audit loan files for consent failures (unread thumbprinted/signed documents, unexplained restructuring fees). Give affected clients a clear accounting of interest paid versus principal reduced, with corrective restructuring where records are inadequate. Simultaneously prohibit shame-based tactics, derogatory language, and advising clients to borrow from informal moneylenders to stay current with a communicated penalty schedule for staff.	Directly addresses the harassment and 'debt servicing without debt reduction' reported by 100% of debt-stressed households; halts the forced pathway into 20-30% monthly informal loans.
6 Financial Service Providers	**6. Establish Grievance Channels Clients Will Actually Use (Short-term*)**
Create a complaint channel independent of the client's credit officer, in local languages, with in-person and phone access, and reward officers for resolving grievances rather than suppressing them.	Restores borrower voice, as study participants reported no trusted recourse existed outside donor-funded workshops.
7 Financial Service Providers	**6. Lend Against Cash Flow, Not Land (Medium-term**)**
Size loans on realistic household cash-flow assessment rather than collateral value. Align repayment with harvest cycles. Cap debt service at a sustainable share of income. Offer transparent, published hardship restructuring for climate shocks, price collapses, and medical emergencies, instead of advising additional borrowing.	Prevents the over-commitment that drove 60-80% income allocation to repayment, distress land sales, and food rationing.

Action	Financial Health Outcome
8 DFIs and Investors — **7. Fund Consumer Empowerment and Independent Mediation (Short-term*)**	
Scale community-based empowerment workshops through trusted intermediaries such as Village Debt Counsellors or similar such mechanisms, and fund independent mediation channels for reporting systemic misconduct.	Builds Voice and Choice; gives borrowers recourse beyond the FSP, reducing fear-driven land sales.
9 DFIs and Investors — **8. Facilitate Cross-Departmental Peer Learning (Short-term*)**	
Convene regular peer-learning sessions across departments and FSPs for operational managers and supervisors to disseminate Client Protection best practices, drawing on internal case discussions of consent documentation, collection conduct, and grievance handling rather than relying on one-off trainings.	Builds institutional consistency in Client Protection practice across branches and departments, reducing uneven implementation that allows consent failures and coercive collection to persist.
10 DFIs and Investors — **9. Shift Due Diligence and Covenants from Policy to Practice (Medium-term**)**	
Assess investees' actual field conduct through borrower interviews and file reviews, not policy documents. Embed measurable covenants, for example, verified informed consent, functioning grievance mechanisms, portfolio-level caps on debt-service-to-income, hardship handling evidence, zero documented harassment, with defined consequences for non-compliance.	Makes client protection a material condition of capital, closing the accountability gap between stated commitments and daily operations.

** Short term - 6 months - 1 year*
*** Medium-term - 1 - 2 years*

Conclusion

In the early 2000s, the primary development challenge in many rural areas was limited access to finance and economic opportunity. Financial sector reforms were therefore designed to expand credit availability and create a more attractive investment climate for an inclusive financial sector. While these reforms succeeded in dramatically increasing access to formal loans, they were not accompanied by adequate safeguards against climate shocks, volatile agricultural markets, or realistic assessments of borrowers' repayment capacity based on cash flow rather than land value.

The findings of this study confirm that for debt-stressed Indigenous households in Ratanakiri, pathways to financial well-being are not primarily determined by access to credit, but by the conditions under which that credit is extended, enforced, and restructured. The consequences are borne disproportionately by inherently disadvantaged clients.

When repayments were late or insufficient, formal financial institutions encouraged further borrowing from other formal or informal, unregulated moneylenders offering even fewer protections. Debt distress cascades into land and asset liquidation, children's educational disruption, and in the most severe cases, suicidal ideation and self-harm.

The focus must now shift from expanding access to finance toward strengthening consumer protection and empowerment. Incentive structures for credit officers, particularly sales targets and key performance indicators tied to portfolio growth, may unintentionally encourage aggressive lending practices and coercive repayment enforcement, especially in oversaturated markets.

Although this study draws on a small sample, the findings suggest that client protection is a central determinant of financial well-being. Formal financial institutions and regulatory bodies play a critical role in shaping the business environment and establishing enforceable standards of conduct.

Equipping borrowers to understand their rights, advocate for themselves, and access trustworthy financial guidance is essential. However, for such efforts to be truly effective, they must recognize that clients are not a monolithic group. Indigenous clients, most especially, bring with them distinct vulnerabilities, cultural contexts, literacy levels, and financial realities, and any meaningful empowerment strategy must be designed with that heterogeneity at its center.

Fear and shame, which are powerful tools leveraged by predatory lenders, can be partially countered through client rights education. Though as this report demonstrates, education alone is insufficient without corresponding accountability on the part of FSPs and regulators to first build the trust that has been lost.

Appendix

Appendix A. Key Concepts and Definitions

Financial Health

An individual's ability to manage one's finances to meet financial obligations, absorb economic and health shocks, and achieve financial goals. This is assessed through observable financial behaviors and outcomes (e.g., bill payment, savings, debt levels).

Center for Financial Services Innovation (May 2017)

Financial Well-being

A subjective state influenced by social and cultural systems, reflecting the degree to which an individual's financial situation provide security, preserve dignity, and freedom of choice.

Alliance for Financial Inclusion (April 2020); Consumer Financial Protection Bureau (2015)

Modified Drivers of Financial Well-being

Cerise+SPTF's extension of existing financial well-being frameworks to include two additional drivers: (1) Mental Health and (2) Social Norms and Cultural Expectations, which shape how individuals perceive risk, manage financial stress, and navigate community expectations.

Cerise+SPTF (2026)

Cerise+SPTF Customer Empowerment Framework

A modified framework examining financial well-being through four dimensions— Voice, Respect, Choice, and Control— further disaggregated by what customers know, feel, and do.

Modified from Koning & Murthy (2017); Cerise+SPTF's From Vulnerability to Voice (2026)

Voice

Borrowers' ability to use feedback/complaint mechanisms, and their confidence to raise concerns with lenders.

Respect

Borrowers' understanding of expected lender conduct, their ability to communicate their circumstances, and their perception of being treated with dignity.

Choice

Borrowers' knowledge of available options when struggling to repay, and their confidence to explore alternatives.

Control

Borrowers' understanding of how financial decisions affect their household, and their ability to negotiate repayment arrangements.

Know / Feel / Do

The analytical lens applied within each dimension: Know (awareness/understanding), Feel (confidence, perception, emotional response), Do (action taken or behavior demonstrated).

Appendix B. Descriptive statistics of respondents (n=38 respondents)

	Male	Female	Total
Gender	16 (42.11%)	22 (57.89%)	–
Age			
18-25	0	1 (2.63%)	1 (2.63%)
26-35	2 (5.26%)	7 (18.42%)	9 (23.68%)
36-45	10 (26.32%)	11 (28.95%)	21 (55.26%)
46-55	2 (5.26%)	3 (7.89%)	5 (13.16%)
55 and up	2 (5.26%)	0	2 (5.26%)
Educational Level			
None	6 (15.79%)	3 (7.89%)	9 (23.68%)
Non-formal*	11 (28.95%)	0	11 (28.95%)
Primary	0	4 (10.53%)	4 (10.53%)
Lower Secondary	3 (7.89%)	0	3 (7.89%)
Upper Secondary	10 (26.32%)	1 (2.63%)	11 (28.95%)
Marital Status			
Single	0	0	0
Married	16 (42.11%)	20 (52.63%)	36 (94.74%)
Separated/divorced	0	1 (2.63%)	1 (2.63%)
Widowed	0	1 (2.63%)	1 (2.63%)
Ethnic Group			
Tampuen indigenous	11 (28.95%)	15 (39.47%)	26 (68.42%)
Kreung indigenous	3 (7.89%)	4 (10.53%)	7 (18.42%)
Khmer (non-indigenous)	2 (5.26%)	3 (7.89%)	5 (13.16%)

** Non-formal education refers to informal, community-based learning arrangements in which a tutor (often another farmer) would travel to the village to teach basic literacy skills. In exchange, households would provide in-kind compensation, typically through several days of farm labor per week. This form of reciprocal, labor-based education was more prevalent prior to the expansion of formal schooling access in the early 2000s.*