

For release: date

## Following drought, debt a growing problem in Svay Rieng

Debt is a growing problem for villagers in rural Svay Rieng province, according to interviews conducted by a Phnom Penh-based non-government organisation, which were publicly released today. In many cases, indebtedness is a direct or indirect consequence of drought.

“Very many rural Cambodians live on the edge”, said Ms. Rosanna Barbero, the coordinator of Womyn’s Agenda for Change (WAC), which carried out the study. “A fairly minor expense, like having to pay for medical care, is often enough to plunge a family into debt. Drought or flood can leave large numbers of families without food security.”

“Food security” means the ability of a farming family to produce enough rice to feed itself from one harvest to the next. When the rice crop is insufficient to do this, the family is forced to seek additional sources of income, or to borrow.

The material released today is based on in-depth interviews with 25 households in two villages in different districts of Svay Rieng. The interviews were part of a two-year study that began in October 2002 and was conducted in five provinces: Takeo, Kompong Cham, Battambang and Prey Veng, in addition to Svay Rieng.

“Of the 25 households visited in Svay Rieng”, Barbero said, “22 had borrowed at some point. They borrowed from village moneylenders, from relatives, from a variety of NGOs or—in one of the villages—from a rice bank.”

The interest rates paid by borrowers varied widely. Non-government organisations typically charged from 3 1/3 to 5 per cent a month. Moneylenders’ rates might be 50 per cent for a loan of six months, but could be as high as 1 per cent per day. The WAC interviewers found an ex-soldier who was charged a penalty rate of 10 per cent per day when he fell behind on his 1 per cent per day interest payments.

While some borrowers were able to repay their loans, others found themselves constantly in debt for part or all of the year. “Paying off last year’s borrowing leaves them unable to buy food or seed this year, so they have to borrow again”, Barbero explained.

Some villagers had lost their land because of debt, the interviewees reported.

“Aside from family, the rice bank appears to be the least predatory form of lending”, Barbero said. “However, the ‘capital’ of the bank had been destroyed by drought. Farmers who had borrowed were unable to repay their loans, so it had no rice left to lend.”

The WAC interviewers said that many villagers described a growing gap between rich and poor. Not infrequently, the former were moneylenders. But villagers sometimes also complained that more well-to-do farmers were those who were able to obtain additional land through corruption or family connections.

In one of the villages, farmers reported an additional problem caused by a plantation encroaching on forest land previously used by the villagers to supply themselves with various forest products.

WAC intends to release further results of the study in coming weeks. The results of the study in Takeo province were released last October.

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## **Background to the study**

The attached interviews and summaries of living conditions in two villages of Cambodia's Svay Rieng province are the product of an ongoing research project of the Womyn's Agenda for Change (WAC). Since October 2002, WAC staff have conducted interviews in rural areas of five provinces. Typically, interviewers spent one and a half to two and a half hours in each village visited, allowing sufficient time for a relaxed discussion, in which those interviewed could express themselves fully.

In each village, the interviewers attempted to visit 10 per cent of the households, randomly selected, whose inhabitants could range from a single individual to an extended family of three or even four generations. Sometimes, however, neighbours or passers-by joined in the discussion, enriching the information provided.

In the two villages in Svay Rieng, a total of 16 households were interviewed. To protect the privacy of the interviewees, all personal names have been changed, as have all geographical names that might make it possible to identify individuals.

So far 240 household interviews have been conducted and translated. That is not a large enough number from which to compile reliable statistical data. But statistics are not the aim. The aim is to allow rural Cambodians to describe in their own words the conditions of their daily lives, their hopes and the problems they face. Further reports based on the research will be released as the information is analysed and checked.

### **Cambodian terms**

A number of Cambodian terms for measures of area, weight and volume appear in the interviews and are reproduced in the summaries. Below are the most common values for these terms, but it should be noted that land and rice measures can vary between villages and sometimes even within a single village.

Damleung: A weight of gold. 26.67 damleung weigh one kilogram.

Chi: One-tenth of a damleung.

Hun: One-tenth of a chi.

Kong: A measure of land, equal to one-third of a hectare.

Thang: A measure of volume, approximately the size of an English bushel. A thang of rice weighs approximately 24-25 kg.

Tao: Half of a thang.

Can: Milk cans are often used as a measure for rice. They hold approximately 250 grams.

## **When the rice bank is empty—interviews in Ma Kak**

Ma Kak, in Svay Rieng province, is a village of 170 families, with a total population of more than 800. The commune chief, who spoke to the interviewers, said that the most pressing problem in the commune is a lack of water. On the commune's funding proposals, the number one priority is a four-kilometre canal system; the second priority is a pump.

The commune chief had earlier contacted a German NGO that had provided wells to other villages in the area, but it had not been able to help Ma Kak. The village has five privately dug wells, which cost about R400,000 to dig; a pump costs R300,000.

Of Ma Kak's 170 families, about "15% are in trouble, but they can survive", he says, because many people help the poor or struggling families, for example by helping with transplanting for free or providing opportunities for needy families to secure paid work in preference to others. In each of the previous two years, two families have left the village. People sometimes leave to escape debt, but the bigger problem is that "there are no jobs here".

Most students reach year 9 at school and then stop. Last year 100 students sat the exam for the end of year 9. There was a 20-person pass limit, so the remaining 80 had to fail. No students from the village have gone to Phnom Penh to continue study.

The commune chief thinks that more families will leave in search of work. The jobs and locations of choice are Phnom Penh to work in construction or, if they can finance it, Poipet because there is land available there. Poipet is the better option according to those who return from there because you can survive, even if you are not rich. Fewer than 20 women have gone to Phnom Penh to become garment workers.

The commune chief's is one of 17 families in the village that have borrowed a new rice seed from Catholic Relief Services. One hectare of land requires 25 kg of the seed, and the yield can be up to three tonnes per hectare. Each hectare requires 100-130 kg of fertiliser, with a mix of 30% IRRI fertiliser. No pesticides are to be used because this is a test; if there is a pest problem, farmers are to ring the company, which will come and advise a course of action. If the crop gets mixed with other varieties, they have to destroy the other varieties.

Transplanting is done not in clumps, but single stalks. Each plant will produce 30-70 grains, compared to the normal one to five. This rice variety was trialled in Kandal and Takeo in 2001. Ten days after planting, the plants are ready for transplanting. Advice is that natural fertiliser is better for the plants, and that the variety requires little water—an attractive feature in this village. Farmers who borrow 10 kg of the seed from CRS are to repay 12 kg at the harvest in four months' time.

Ma Kak has a rice bank, which was initially established by Santi Sena with three tonnes of rice. To borrow 10 kg of rice, you repay 14 kg at harvest time. Last year the bank was half full, but now it is empty. All the rice has been loaned out, and because of drought, farmers were unable to repay, so repayment has been held over until the next harvest.

Aside from private moneylenders, the only credit source in the village is Santi Sena. The chief says that four village families that owed money to Santi Sena and moneylenders and could not repay lost their land and left the village.

## **Drought**

Because of shortfalls in rice production, many villagers have to find additional sources of income. Phann Mom, a 75-year-old widow, lives with her daughter, the daughter's husband, and their two children. She has a son who works in an ice factory in Phnom Penh.

Mom has 1½ ha of rice land. If the weather is good, she can get a yield of 30-40 *thang*. Mom says there is never any need to use pesticides in her field. However, each year they apply two sacks of D-A-P fertiliser, costing R49,000 per bag. They mix this with cow manure to improve its strength. She says, "We have had to use more and more fertiliser every year just to get the same harvest; the soil is poor".

A good harvest can feed the family for five or six months; after that, the family has to find other sources of income to buy food. The three adult members of the household work in and around the village, labouring, transplanting, digging or carrying things. If they dig earth, they get R2000 per cubic metre; transplanting rice pays R2500 a day plus meals.

Other families in the same situation collect things from the fields and fish to feed themselves daily. The rising price of rice is a problem. "In 2000 it was R5000 a *tao*, in 2001 more than R10,000 and this year R15,000. For the poor, this makes it more difficult."

Mom would like to see all of her grandchildren attending school, including the girls, but she understands that "if times are hard, the boy will be preferred" for schooling.

Vong Ly, 53, is a farmer hampered by a shortage of water. She has four hectares of land, but does not cultivate them all because of the lack of water. Her maximum yield is 100 *thang*, which is enough to feed her, her husband, and the three of their six children who still live with them, for only six or seven months per year. This year she was not allowed to borrow from the rice bank because she still owed five *thang* plus interest on her previous loan. She also raises chickens and a pig.

Keo Sokha, a 36-year-old farmer, lives with his wife, their four children, and his younger brother. He is a member of the rice bank, but last year he borrowed 49 *thang* and was able to repay only 34 *thang*, so he could not borrow this year.

During the dry season, Sokha works in construction jobs in Phnom Penh, making R8000 a day. Out of this, he spends about 30 per cent for transportation and food.

When the interviewers arrived at the house of Chim Meth, he was preparing for planting 40 kg of rice seed borrowed from CRS. Meth, 60, says, "In the past few years our situation has not changed that much; we are lucky".

Chim Meth has never borrowed money, but he does borrow from the rice bank even though he normally has rice to sell. Asked why, he replied, "I just wanted to have my name on the list of borrowers, because my son works on the rice bank committee."

Meth, his wife and their children farm four hectares. They normally obtain enough for their own needs and 200-250 *thang* to sell, although last year they sold only 50 *thang*. Depending on how busy they are in the fields, they also make money by raising pigs or cows. They also do construction work. In fact, because of the lack of rain and the pressure of family finances, one son has moved permanently to Phnom Penh to do this work.

With five hectares of rice land, Sreng Kim and her husband are better off than some of their neighbours. But when she was interviewed in late 2002, two years of drought had reduced their living standards. In 1999, they had 100 *thang* of rice to sell. Since then, because of drought, they cannot produce enough rice even for their own family's needs, harvesting only enough for about 10 months' supply. To pay for food for the rest of the year, the husband fishes, usually catching enough in a night to earn R3000-4000. One of their sons, with his wife and their two children, left only two months ago to undertake construction work.

Kim says that their living conditions now are "stable. We are struggling to survive, but we will not have to leave the village."

To work its fields, the family needs about 100 person days per year. Family members do exchange labour more often than paying wages for labour. They usually spend up to one and a half months doing exchange labour. If money is paid for labour, one day of transplanting earns R2500 and two meals. For harvesting, Kim pays R2000 plus two meals because the work day is shorter than for transplanting. She estimates that transplanting and harvesting together cost the family around R300,000 per year.

Sopha's husband is a construction worker. While he is out at work, she looks after the house and their two children. In addition to his outside work, they farm about half of the four hectares that their parents gave them when they married. Labour for transplanting costs them the equivalent of 100 *thang* of rice. The other expense is for 10 sacks of fertiliser, bought from Vietnam for R50,000 a sack.

Chan Thoeun, 65, lives with her grandson. They have one hectare of rice land. In a good year, they get 60-70 *thang* from it, but this year, because of the drought, they got only 30 or 40 *thang*. She is a member of the Santi Sena rice bank, from which she had borrowed eight *thang*. This had to be repaid, but without interest.

She thinks that raising ducks, chickens and pigs is a better way to make money, provided the animals don't get sick. To raise the R48,000 for the one sack of fertiliser she uses on her field, she can sell a pig for R70,000.

Vichea and his wife have been married for six years and have six children. They have just 0.7 hectares of rice land, which they inherited from their parents. Because they have no buffalo to plough their land, they rent one with their labour: for one morning's use of a buffalo, they spend two mornings transplanting rice for the animal's owner. They spend R150,000 on other inputs. In a normal year they

harvest 40-50 *thang*, which is enough to feed them for only half the year. This year, because of the water shortage, they harvested only 20 *thang* and have borrowed eight *thang* from the rice bank.

After the harvest, Vichea looks after the children while his wife goes to Vietnam to buy vegetables or dried fish to sell in the village. Their other source of income is raising animals.

Rattana and Sophy also have six children. They are determined to send them all to school "because there is nothing else we can give them".

They have 4.5 hectares of rice land. It costs them three or four *chi* per year to work the fields, and in a normal year they harvest around 70 *thang*. Sophy says that for the last two years the harvest has been insufficient because of drought, and this forced her to borrow eight *thang* from Santi Sena; they will have to repay 12 *thang*.

Soy Phary, 54, her 59-year-old husband, their three children and two grandchildren live together and farm three hectares of rice land, but about half a hectare has no water. They use one to three sacks of fertiliser, which this year cost R48,000. In a normal year they harvest around 150 *thang*, but because of drought and floods, this year they will get only 60-70 *thang*.

A normal year's harvest is enough to feed the family from May through January. To feed themselves for the other three months, the family does wage labour and raises animals.

They do exchange labour or hire labour to get their field planted. So far this year, up to the first transplanting, they have spent R200,000 on labour and inputs.

Phary raises chickens and has raised two pigs and two buffaloes. She bought a small piglet for R40,000, at a rate of R3600 per kg. Raising the pig to about 80 kg takes six to eight months. When the pig is big, it is necessary to feed it a *tao* of rice meal every three or four days at a cost of R3000. When the pigs are small, R1000 worth of meal lasts about the same time. "I think I would spend about R100,000 on feeding the pig, and I can sell it for R200,000-250,000, but if it is big, up to 100kg, I can get about R350,000."

A five-year-old buffalo will cost between six and seven *chi* of gold, but you can sell a buffalo at three, four or five years of age. For a big buffalo, you can get up to 10 *chi*. "I have a female buffalo and I never have to pay for breeding because she eats in the fields and meets males there. I have had this buffalo for five years, and she has had two calves. The calves can work after three years of age."

Mao Sopheak and her husband have nine children, five boys and four girls, who range in age from 18 to one. All of the children have gone to school, but two of the girls stopped last year after reaching grade 5.

The family has three hectares of rice land. They use two sacks of fertiliser that cost R46,000 a sack. They also use two bottles of pesticide that cost R3000 per bottle. "We would use more fertiliser if we had the money", Sopheak says, "but we are always short. The best harvest we can get is 150 *thang*, but if there is not enough water, we only get 50-60 *thang*. This year we will probably get 60 *thang*. Earlier we were self-sufficient in rice, but last year was bad and we were short from Khmer new year [April] till harvest." In the past year, Sopheak borrowed 13 *thang* from the rice bank. At harvest she has to repay, with 1½ *thang* interest.

Sopheak has also raised pigs and chickens, but she stopped raising pigs because they cost too much to buy and to feed. Her husband works as a moto taxi driver in Sangke, a town about 40 minutes away, but usually clears only R500-1000 per day.

Four months ago, the couple's 15-year-old and 17-year-old daughters went to work in Phnom Penh. The younger daughter went to work in their aunt's rice shop. The older daughter worked in a garment factory for three months but quit because she did not like working night shifts. She now also works in the aunt's shop. Neither has been able to send money home.

It is hard when they have to buy rice, because the price has been going up. Two or three years ago, it was R8000-9000 per *tao*; this year it is R13,500. "Having such a big family makes it hard to survive, but I feel more peaceful when we are together", said Sopheak. "More children mean more expenses; the children are hungry all the time. We have only one cow and no draught animals. But we all rely on each other. Friends and neighbours now more often lend and borrow from each other to survive."

Ly Piseth, a 64-year-old widow, lives with seven other members of her extended family. All four of the children have gone to school, through grades 2, 3, 4 and 7.

They have three hectares of rice land, on which they use six sacks of fertiliser costing R47,000 each and around 10 bottles of pesticide at R4000 each, because they have a lot of problems with insects that eat the roots of the rice plants.

In a good year, they can harvest up to 200 *thang*, of which they would sell up to 30. In a not-so-good year, they typically harvest 120-130 *thang*. Then they have to buy rice to make it to the next harvest.

Piseth's daughter is a hairdresser and does make-up for weddings. The family also own a set of speakers that used to be rented out, but her son-in-law broke the amplifier and they have not had the money to get it repaired.

They borrowed from the rice bank three years ago, but not for the past two years. "The past two years we have been short, but not so much that we have to borrow. We can deal with it ourselves because my daughter earns some money."

No one in her family has migrated for work, but she knows about Mao Sopheak's daughters, and she says that both Sreng Kim and Soy Phary have daughters who work in garment factories in Phnom Penh.

Lina and her husband have three hectares of rice land, but during droughts they plant only half of it. They have food shortages for two to three months of the year. This is partly made up by Lina planting taro, yams and vegetables to sell. She also raises chickens and pigs. If she can sell a pig during a festival, the price is R3300 per kilo; otherwise it is R2500.

They could get a bigger rice harvest if they used two sacks of fertiliser per hectare, but they can only afford to buy one.

They have three children, including two daughters who are in school. Some families have sons or daughters working in Phnom Penh as construction workers or domestics. They left because of the drought and chose Phnom Penh because they have relatives there. As for her family, she says, "We are able to live—not well, but live. At some times of year we eat less."

Somphos, a 76-year-old widow, lives with five other women in an all-woman household. They are very poor and have only two hectares of land. In the past, she says, they always had enough rice for the whole year, but in the last few years they have been going backward and suffering food shortages for three months out of 12.

## Medical care

Somphos reports that four men in the village have died from AIDS, and now the four wives are all HIV-positive and dying. The young women are afraid of marriage because they have seen too many people dying of AIDS.

One of them is Vong Ly's second daughter's husband, who died of AIDS a few months ago. Now the daughter is sick and has moved back in with her mother. Ly is worried about how she will find money to pay for treating her daughter.

The interviewers found two conflicting attitudes in Ma Kak regarding medical care. Some villagers normally visit the commune medical centre, which they consider good value for money, although they will pay for more expensive private clinic or hospital treatment for a more serious illness. Others regard the medical centre as second rate and avoid it if they are able to pay for a private clinic.

Phann Mom and her family are in the first category. If one of them is sick, they go to the local medical centre, which charges only R500. Sreng Kim's family has the same attitude. So does Chim Meth, who notes that for its R500 fee, the clinic includes enough medicine for three days. He adds that in any case, the nearest private clinic is too far away.

Sopha says that if she or her husband or children are sick, they go to the health clinic, where the examination costs only R500 and they are given enough medicine for three or four days. If they are still sick after that, they take the clinic notebook to the doctor, who gives them enough medicine for another three or four days.

Soy Phary says she is often ill with symptoms of fever, lack of appetite and sleeplessness. She does not consider this a serious illness. She goes to the local clinic and gets enough medicine for three days. "Why go to a private doctor for R20,000-50,000?", she asks. "The health clinic charges only R500."

Sophy says that she once went to a private doctor for an examination, and had to pay R10,000.

Mao Sopheak's family usually goes to the commune clinic, but she herself has had more serious illnesses that were more expensive. "I have hypertension and many haemorrhages. Treatment costs R50,000, and I have been many times. I spent about R200,000 on this last year. I was very sick seven years ago, when I had something taken out of my stomach. When I am sick, my oldest daughter or my husband takes care of the other children."

During her most recent illness, Sopheak was in a private clinic in the town for a week, which cost R120,000. "I had to return early because the children were alone with only the 14-year-old to mind them. My husband had to work and travel to Sangke every day."

When she is sick, Ly Piseth goes to the health clinic, which she says "provides a good service". She has been sick with an illness that made her cough blood. The clinic sent her to the hospital, where she stayed two days and nights. It costs R200,000, including medicine, but she is still sick and has a hoarse voice. She has completed one month of an eight-month course of treatment.

Lina and her husband are among those who think the commune health clinic is no good, and they therefore go to a private clinic when they are sick. It costs R10,000-20,000. All three of their children have been vaccinated.

Somphos shares Lina's opinion about the commune health centre, and she therefore goes to a private clinic when she is sick.

## Borrowing

Vong Ly's husband is a carpenter, and he was injured three months earlier, when a house post fell on him. To pay for his medical treatment, she used her own money and R50,000 borrowed from Santi Sena. Her husband has recovered now, but there is still the loan to repay. She hopes to do this by selling the piglet she is raising, but if it doesn't grow fast enough, she will sell the chickens she keeps and borrow money from relatives or a moneylender.

At other times she has borrowed R50,000 from Santi Sena to buy pigs for raising or to make alcohol, but she stopped doing this because there was not enough profit after repaying the loan.

In the last three years, she has several times borrowed from a moneylender. She also buys fertiliser on credit, at a high interest rate. One sack of fertiliser costs R48,000, or the equivalent of 120 kg of rice. But at harvest time, she has to pay for the sack with 10 *thang* of rice, or about 220 kg.

Last year, Keo Sokha borrowed R200,000 for four months to buy cooking rice and fertiliser. The interest was 30% a month. Four months ago, his son had to have an operation for appendicitis. Sokha paid for the operation by borrowing R800,000 from a relative at no interest. He is to repay within a year.

In general, Sokha feels that credit projects make life more difficult for people. He knows of about 10 families that have pledged their land as collateral to a moneylender.

At different times, Sreng Kim's family has borrowed R50,000-100,000 from Santi Sena. No collateral is required. The loans are four to six months, and the interest is 4 per cent a month. Kim had not borrowed money before loans became available from Santi Sena because "I am not in business and the moneylenders' rates are high. If you borrow one *chi* of gold, you have to pay back one and a half *chi* after six months."

If she is short of cash, Kim can buy goods on credit from the local store at no interest for up to one and a half months. "There is a good support network among neighbours", she says.

Sophy has twice borrowed R100,000 from Santi Sena for her small business, which consists of buying vegetables and fish and selling them in the village. The NGO doesn't take security such as the family book or house title, but private lenders insist on a mortgage because they fear that borrowers will not be able to repay.

Over the last three years, Ly Piseth has taken out several six-month loans in amounts from R100,000 to R300,000. The interest is 4% per month. She has always been able to repay, so she borrows again. "The contract comes in a book, but I cannot read it or understand it. The credit [Santi Sena] people told us that the amount of money is unlimited for businesses, and I was not told of any other conditions."

When they farm, Sopha and her husband sometimes pay cash for the fertiliser and sometimes buy it on credit, but in that case they pay the debt quickly from the husband's construction work wages.

They don't like the idea of borrowing from moneylenders, but would borrow from relatives or from an NGO. If they borrow one *chi* from an NGO for a year, the interest would be five *hun* (half a *chi*).

But Sopha is suspicious of the Santi Sena committee, which allowed somebody to borrow to buy a buffalo in 1997. This should have been a six-month loan, but until now (2002) they haven't repaid it. She wants to borrow money to buy a buffalo, but Santi Sena won't agree because they think that she has enough money to buy one herself. But she is not angry, because her husband has a job every month, and their life is not very difficult.

She thinks that the credit program of Santi Sena would be better if it helped poor people with such things as rice seed, buffalos, chickens, ducks, pigs and plants, and also helped to teach literacy for people in

the village. However, some very poor people have been helped. They didn't have a buffalo for farming, but after getting a loan from Santi Sena, they improved their livelihoods and could grow rice.

Vichea and his wife borrowed R100,000 from Santi Sena to buy two bags of fertiliser for their rice field. The interest is 4% a month. It was a short-term contract, but the organisation allows them to repay late. Vichea says finding the R4000 monthly interest is not a problem, but it would be better if the interest were lower. Still, things were more difficult before Santi Sena came with its credit programme.

He says they never borrow money from their neighbours, because they know that to borrow R100,000 they would still have to pay R4000 per month interest, and they would also have to give something as collateral. "With private lending, if we pay back late, they will confiscate the collateral. But with Santi Sena, we never hear about property being confiscated."

Soy Phary has never borrowed from a moneylender, but a year ago she borrowed R50,000 from Santi Sena for six months at 4% a month interest. The loan has been repaid, but she thinks it would be better to borrow from her younger sister in Phnom Penh, who won't charge her interest.

Sopheak knows nothing about the credit offered by Santi Sena, but says that her husband may know. "We have never borrowed money, so I don't know how we would decide. We would not use credit because I am afraid that I could not pay it back. It scares me. We will find the best way to survive. If we are hungry, we will eat less, and we will eat more when we have it."

Phann Mom's family often borrows from the moneylender in the village. One *chi* of gold is repayable as two *chi*, and repayment is generally made after the harvest. An alternative arrangement is to borrow more than 3 *chi* over two years. Interest is in the form that the moneylender uses your land. "But you always get your land back after the debt has been paid". Mom knows that there is credit available through an NGO in the village, but she does not know all the details.

According to Mom, "Poor people get into debt and become poorer. With the drought, debt gets bigger and there is no way out." She knows of one or two families that have left the village because of their inability to pay their debts. "The moneylender is getting richer. The rich rise higher and the poor decline."

Somphos sometimes borrows money from a moneylender in the village for six months. If she borrows R1000, she has to pay back R1500 within six months. She never borrows from the NGO because she is old and nearly dead, so they would not lend her money: who would be responsible for the debt if she dies? She is a widow, a woman and old, and this excludes her.

The NGO would look at her house and see that they are very poor and have no animals. So if they borrow and can not repay, they will lose their land because they have no animals to sell. Twice they tried to borrow money from the NGO to buy a buffalo, but they were refused. They help only people who have a backer. Even with Red Cross rice, it is given only to the rich and their relatives. "We are poor, so we get nothing."

Now, since the NGO refused her, she will mortgage her land in order to buy a buffalo. Her sister, who lives in another village, borrowed R300,000 from Prasac to buy a buffalo. She had to give their land title as collateral. The interest is R10,000 a month.

Somphos borrows money from relatives just to buy rice. Many villagers are poor now, so the only chance to borrow is from relatives. They are also poor, but they take pity on them.

Lina is sometimes tempted to borrow money to buy rice, but she prefers to eat less rather than borrow because she knows that they would not be able to raise the money to repay. The credit program is not good, because most people can not repay, so the interest keeps accumulating. "We are scared that in the end, the NGO would take our land, our house, our animals. It's impossible to pay back. Then when I die my children would inherit the debt. If I died my children would lose everything."

She says that two or three families in the village borrowed money from Santi Sena to buy buffaloes. They became poorer and poorer and they ran away because they could not repay. These families left and have never returned.

Even if the NGO's interest rates were 4% a year instead of 4% a month, they would not borrow money to buy rice, because they don't earn enough to repay. However, they do buy fertiliser on credit and sometimes borrow rice in kind.

She says that the NGO just comes around and says it has money to lend. "NGOs are the only ones who profit. The NGOs get richer and the people get poorer."

## **Violence**

Not many of the people interviewed mention domestic violence, but Lina says there is lots of it in the village. Men are beating their women all the time. She knows of two or three families nearby that have severe domestic violence problems. No one supports these women. Even if the wife in the morning goes to the head of the commune and he comes to talk to the husband, the situation never changes.

The 17-year-old woman living in the house with Somphos says she does not want to get married because she see so many women beaten by their husbands.

They say that the NGO never helps any woman who is a victim of violence, because they say violence is an internal affair of the family. Even relatives do not help. The commune chief can help, but nothing ever changes for women. The violence increases, and so does poverty for most.

Now there are many rapes in the village. No girl is safe; everyone has to be very careful.

However, Chan Thoeun says that her daughter used to fight with her husband because he was drunk. But he was lectured two or three times by the village chief and the staff of the NGO, and now they don't fight any more.

## Life on the edge in Tbeng

There are 152 families in Tbeng, which is located a few kilometres from the Vietnam-Cambodia border in Svay Rieng. It is situated along one main east-west road. The interviewers arrived at the end of the wet season, in October 2002, but the ground was very dry and there was little standing water near the houses. The terrain is very flat, and the villagers' fields are all visible from the road.

There is a sugar cane plantation to the east, between the village and the border. It is said to be owned by a powerful political official. The plantation was previously a forest to which the villagers had access to collect wood and other forest products. They say the plantation started out at 70 hectares but has now increased to 300. This is a large area that they are now unable to use. There are guards protecting the area, and people say that they now get less from the forest or free areas because they have to travel further.

There is no major river or body of water within the commune. Most of the water for the fields comes from rain, but there are some hand pumps in the village. Wealthier villagers have installed their own wells. There is a river near the sugar cane plantation, and the owner has built a canal for irrigation. If villagers want to use water from the canal, they must pay, but they say that there is never much water left over after the plantation has been cared for.

The remaining forest has extensive groves of eucalypts. The villagers collect the green leaves and distil raw eucalyptus oil. Previously, the trees could be accessed easily; now the trip to collect the leaves and return requires a day. It takes another day to distil the oil from the leaves, producing 0.5-1 litre of oil. The oil is sold to Vietnamese traders for R10,000-15,000 per litre.

The village has no school due to the small number of children and low retention rate. The local pagoda is used as an ad hoc school. Education beyond grade 7 is costly because the students have to travel so far.

Young couples who cannot find land tend to migrate to higher areas. When they return to the village, they are often sick. Income sources aside from rice farming are porting, raising cows, pig or ducks, producing eucalyptus oil, working in the sugar cane plantation, digging soil and waged rice-field labour (although this is harder to find). Eight or nine people who had little or no land have migrated to work in Battambang, Pailin or Phnom Penh. Most of the villagers interviewed had some experience of borrowing.

### Farming: a precarious living

Keang Srun is 52. She and her 54-year-old husband have five children ranging in age from 20 to 12. The four oldest, all boys, work, generally farming or doing wage labour like carrying dirt, carting pigs to the market or transplanting rice. Her 14-year-old daughter is still in school, in grade 6. The boys all completed grade 4. Srun also has an adopted son who is a deputy commune chief.

Because of the large number of workers in it, the family is fairly well off. They have two hectares of rice land, which normally produces enough for the family for the whole year, plus a little extra to sell. On their two hectares they use three sacks of fertiliser, which ranges in price from R20,000 to R50,000 per sack, depending on quality. The fertiliser is combined with 104 sacks of coconut ash, which costs D5000 per sack. They also use six or seven bottles of pesticide at R3000 per bottle.

Keang Srun is worried about the reliability of the water supply for her field. She is thinking of putting in three wells, at a cost of R300,000 each, plus 5 *chi* of gold for a pump. There would also be expenses for operating the pump: it takes 90 litres of diesel fuel and 8 litres of engine oil to irrigate half a hectare.

Pen Chey is 23 years old. He and his 22-year-old wife have one child, an 11-month-old boy. Like Keang Srun, he has two hectares of rice land. On it he uses five sacks of fertiliser at R45,000 each, 78 sacks of coconut ash at D6000 each, and one or two bottles of pesticide at R2500 a bottle. He also has to hire labour, spending R150,000 a year for transplanting and R20,000 for harvesting.

He produces enough rice to be able to sell some. Last year he sold 40 *tao* and the year before 80 *tao*. He is uncertain about this year because his water supply is limited. Pen Chey and his wife also raised a piglet, selling it when it was mature for a profit of R50,000. They intend to do this again. However, he is worried about the future because he thinks it is becoming harder to survive for many families.

Keo Vireak, 28, and his wife have two young children, a boy and a girl. He has never been to school, but his wife went as far as grade 4.

Vireak is a former soldier who now farms one hectare of rice land. He uses three sacks of fertiliser at R25,000-47,000 each, and 26 sacks of coconut ash at D6000 each. He and his wife do all the work, and

they produce enough rice to feed themselves for eight to 10 months. To get the money to buy rice for the rest of the year, he distils eucalyptus oil or transports pigs to market. Occasionally he is hired to dig wells or ponds; he will take whatever work is available.

Khat Sokha, 21, and his wife Lim Tevy, 19, have one child. In school, he went only as far as grade 3 and she grade 2; both left because their families were poor.

When they were married, their parents gave them a wedding gift of a half-hectare rice field. They use one 50-kg of sack of fertiliser that costs R45,000 and mix this with ash fertiliser. For 100 cans of ash fertiliser, they pay around R50,000. Transplanting costs 1.5 *chi* of gold. Their yield is 60-70 sacks of rice a year, which is enough for them to eat but doesn't give them a surplus to sell. They also earn income by transporting pigs or chickens and by distilling eucalyptus oil, which they sell in Vietnam for R15,000 a litre.

Srey Pao, 22, married when she was 14 years old. She and Keng Dy, 24, have two children, a four-year-old boy and a six-month-old girl. Srey Pao was born in Kompong Som, but later her family moved to Svay Rieng province. When she was seven years old, her mother died, leaving her one hectare of farmland and a buffalo. However, her farmland is far from the house.

On her one hectare, she uses three sacks of fertiliser, costing R50,000 per sack. She hires labour for transplanting for R30,000. This year the crop was poor, and she harvested only 20 *thang*, less than 500 kg of rice.

Navy, 44, was at home talking with a neighbour woman when the interviewers arrived. Her husband was away, transplanting rice. For five days' labour, he receives 15 kilos of rice. When he works for his relatives, he also receives three meals a day, but from other employers only two meals.

She has one hectare of rice land, from which she gets 750-1000 kg per year, enough to feed them for only half the year. She does not use chemical fertiliser because she cannot afford it, but she does use compost.

She does not own a cow or ox, but she is raising an ox for a neighbour; she will receive its first calf and the neighbour will get the second.

Chea Kem, 72, has lived in the village for 18 years, and he finds life more difficult now, partly because his health is failing, but also because earlier there were government subsidies, but now he has to spend money for everything, for all his farming inputs, which means he has to borrow.

He has eight hectares of land, but only three are cultivable. For the past five years, he has had a yield of 20-30 *thang* per hectare. Previously he did not need fertiliser, but now he will not get same yield if he does not use it. Now he spends more money to grow rice, because of fertilisers. He also buys pesticides because he needs them; before he never used them.

For the last three years, they have had drought. Previously there was always good reliable water, and the rainfall was consistent. Before there was lots of forest, but it was cleared for cultivation. The forest was also cut for firewood, and sometimes the Vietnamese cut trees. Others cut trees for firewood to sell for extra money. He does not buy firewood but gathers roots.

The rich people, Chea Kem says, have 20-30 hectares, which they were able to buy. They pay money to the commune chief and the latter buys state land as rice fields. Now if people have the money, they can secure two or three hectares of land. The land that the commune chief provides is forest land. The rich also can have tractors and hire machines.

Kimleang and her husband have 2.5 hectares of land, 70% of it cultivated. In one year, she uses three sacks of fertiliser from Vietnam. Vietnamese fertiliser is cheaper, and the amount required increases from year to year. The crop can feed the family for only nine months of the year. Currently she is buying rice.

The two go together to collect eucalyptus leaves. Yesterday they went to collect leaves. Today he is there and she is distilling. Now there are more people than before collecting leaves. The land belongs to the government and villagers, so they don't need to pay to get the leaves.

Sreytouch is 22 years old and has two children. She was married at 16. She has one hectare of land, producing 20 *thang* of rice a year. Fifteen *thang* a year are needed to feed one person.

### **Work in Phnom Penh**

Sreytouch's husband sells his labour in Phnom Penh. He returns only once or twice a month, sometimes bringing R40,000-60,000 and sometimes empty-handed. When her husband returns, he looks after the children and she sells her labour for R2500 a day.

Women here trust their husbands who work in the city, she says. The husbands say they are afraid to have sex with prostitutes. Most couples here do not use condoms.

Kimleang's husband used to go to Phnom Penh to work as a cyclo driver; when he returned, he was sick. He would go for two weeks and rent the cyclo for R9000. This year he decided not to go because he was earning nothing.

Keng Dy, the husband of Srey Pao, is a construction worker in Phnom Penh. He comes back home once a month, usually bringing R100,000-160,000 with him. After the transplanting season, he goes back to Phnom Penh for more construction work.

Navy says that many young people from a nearby village go to Phnom Penh and work in factories, because that village has connections or relatives; people in this village don't have connections.

Life seems better for those who are working in Phnom Penh, but Navy prefers to be poor and have her children with her. She is afraid of their being trafficked. She hears rumours about it and hears it on the radio: stories about girls being trafficked. Those who go to Phnom Penh need money for bribes (to be hired by a factory, it is often necessary to bribe factory guards or officials) and transport, and so their parents need to borrow money. But some can not find work and come back with no job, no money, only debts that still need to be repaid.

### **Illness**

Several villagers mentioned sickness, and the economic strains caused by having to pay for treatment.

When the interviewers called, Keo Vireak was suffering a recurrence of the malaria which he caught when he was a soldier based in Kompong Speu. It now costs him R100,000 each time he needs to be hospitalised. He prefers to go to a private clinic, because when he went to the public hospital in 1999, it was not able to arrest his fever; since then, he has been to a private clinic three times.

Keang Srun, the 52-year-old with a husband and four working sons, is lucky that her family, except for herself, has been healthy. She has suffered from fever and a sore chest. The local health clinic charges only R500 per visit, including medicine, but it is only for minor ailments. If an illness is serious, she says, people go to a private clinic. If they require surgery, they usually go to Vietnam.

Srey Pao and Keng Dy say that their biggest unforeseen expense is caused by illness. "When someone in the family gets sick, we have to buy medicine," Srey Pao said. "When my children had high fevers, I spent R2000-3000 for medicine. The older child had typhoid fever, and I took him to the commune hospital and spent R30,000 for the treatment."

Kimleang and her husband have had two children, one of whom died at birth. The other child is sick a lot, so much of the money they earn from preparing eucalyptus oil goes for private doctor fees. She does not trust the government clinic to treat the child, although she goes to it herself if she is sick.

### **Credit and debt**

To pay for his malaria treatment, Keo Vireak has twice borrowed from a moneylender for one month. The first time he borrowed R100,000 at interest of R1000—1 per cent—per day. Because he could not repay at the end of the month, the interest rate rose to 10 per cent per day. He paid this off by getting an advance on his army salary of R70,000 a month. If you get your salary in advance, for each month in advance, R5000 is deducted; that is, in December you can get R65,000 in lieu of your January salary, R60,000 for February etc.

The second time his illness was more severe, and he was in the clinic for two months, which cost R200,000. Again, he borrowed the money at interest of 1 per cent per day, but this time he was able to repay the loan when the negotiated three months were up.

There was no collateral needed for the loan, "but the moneylenders visit the house and see what you have before they will lend you any money". Many others in the village have used moneylenders, but only about 60 per cent can afford to pay it back without selling an asset. The very poor are unable to borrow from moneylenders because the loans have to be repaid quickly. He doesn't know much about Santi Sena and has never borrowed from it.

Vireak says life is difficult, especially with malaria. "The poor get poorer, just working to pay the moneylender, while the rich get richer." The moneylender is able to live by not doing anything else but lending money.

Most of the other villagers who had borrowed money did so to pay for farming inputs, although some also borrowed to have enough rice to last until the harvest.

The young couple Khat Sokha and Lim Tevy borrowed money from Santi Sena to pay for fertiliser for their first rice crop. The loan was for R50,000, to be repaid in six months. They did not have to deposit their family book as security, but the organisation keeps a list of borrowers. Before they borrowed, Tevy says, they had to attend a meeting, but she no longer recalls what happened at it.

If they were to borrow 5 *chi* from a moneylender, at the end of a year they would have to pay 7.5 *chi*, but borrowing from Santi Sena is not a problem; it is like borrowing from a neighbour or sibling.

Although Srun has not had to borrow to pay for her medical treatment, a few years ago she borrowed R70,000 from Santi Sena and used that sum, together with R50,000 of her own money, to buy three piglets. The loan was initially for six months, at 4% per month interest. She was unable to repay the principal at the end of the contract, so it was extended for another six months, during which time the principal was gradually repaid along with the interest. With the profit from the sale of the pigs, they bought fingerlings to stock the family's pond with fish.

She is reluctant to borrow again, fearing that her children might be unable to repay the loan. If she were desperate, she thinks she would be able to borrow R10,000-20,000 from neighbours for a few weeks or a month, without interest.

Srey Pao and Keng Dy normally borrow money to buy fertiliser and rice or other food. Neither the NGO nor the moneylender requires them to put up collateral or the family book.

She borrowed money from Aceda long ago. For R100,000, she had to pay R4,800 monthly interest, and after a year the NGO staff came to collect the principal. She also borrowed from her neighbour; for 1 *chi* she had to pay back 1.5 *chi* within a year. "The R100,000 I borrowed from Aceda was used to buy fertiliser for R50,000 and rice for R50,000. My husband submitted the borrowing form to Aceda, along with his photograph and thumbprint."

When she borrows money, Srey Pao worries that she will not be able to repay. "It is very difficult because they come to get the interest and I have to pay every month. If I missed one month's payment, they would fine me R500 per day."

Chea Kem's harvest is not enough to feed the family (despite his age, 72, he has two children under six years), so when they transplanted rice, they borrowed money from a private moneylender to eat, for fertiliser and for a buffalo for ploughing for a few days. On a loan of 1 *chi*, he pays back 1.5 *chi* within six months. There is no negotiation with the NGO, but with a moneylender you can negotiate to delay payment.

The village development committee [VDC] or group leader tells them when they have to pay back, so he just sells pigs or borrows from the moneylender to pay back the NGO. Many people do this.

In the past he borrowed from Santi Sena to buy a buffalo, which is now old. He has been gradually repaying the loan by raising and selling pigs and by selling eucalyptus oil, and will have it paid off in one year.

Sreytouch and her husband have a debt of R100,000, on which they pay interest of R4800 a month. Eight months from now, they will have paid it back. She used the money to buy a bicycle and fertiliser.

They started to borrow two years ago. She borrowed 1 *chi* and paid back 1.5 *chi* after six months. From the NGO, they borrowed for the first time only three months ago. Her husband borrowed the money, and she does not know the details. The money went for food and fertiliser.

Pen Chey and his wife have several times borrowed two or three *chi* from his mother at no interest, borrowing in May and repaying after the harvest in January or February. He would like to be able to get by without borrowing from her.

Kimleang has wanted to borrow money from the NGO but could not. She says that the committee kept sending her around to different people as a brush-off. She wanted to buy a piglet to raise. They claimed that the loans were already distributed. Later she tried to get a loan to buy a buffalo, but they still would not give it.

Earlier she had a loan from CIDSE [Coopération Internationale pour le Développement et la Solidarité] once only.

A private moneylender is also on the Santi Sena credit committee. There are several moneylenders who are rich people, and Kimleang has borrowed from several. She never negotiates with them; she always pays on time: she borrowed 1 *chi* and paid back 1.5 *chi* after about six months—planting to harvest.

Navy's son is a volunteer for the Santi Sena VDC. Because of this, she said, they receive a part of the interest on its loans, and they also received a well in front of their house. She would not borrow from a private moneylender because it's too expensive and she thinks it's impossible to repay.

She wanted to borrow from an NGO to buy a buffalo, but her son said that if there was a crisis, they might lose everything. They know of a family east of the village that borrowed from Santi Sena. Then their buffalo was stolen, so they sold their cow to repay the NGO. The NGO delayed the repayment but did not waive it or lower the interest. You can never negotiate with the NGO. The VDC has to collect all the capital; otherwise the NGO will be angry.

Navy and the neighbour with whom she was talking agreed that the interest rate of 4 per cent a month is just too risky, even if the money is used for a productive asset like a buffalo, because they live from day to day. Too many things happen that require money, so the risk is too high. At best a loan can only assist to buy food during an emergency, but for a short term, never long term.

## Interview with Mao Sopheak

“I am 44 years old; my husband is 45. We have nine children, five boys and four girls. The oldest is 18 and the youngest is one year old. All of them that are old enough have gone to school.

“If we are sick, we usually go to the commune health clinic. It costs R500, and they give you enough medicine for three days. I have hypertension and many haemorrhages. Treatment at the private clinic in Sangke costs R50,000, and I have been many times. I spent about R200,000 on this last year.

“I was very sick seven years ago, when I had something taken out of my stomach. When I am sick, my oldest daughter or my husband takes care of the other children. The last time I had stay in the private clinic, it cost R120,000 for one week. I had to return early because the children were alone with only the 14-year-old to mind them. My husband had to work and travel to Sangke every day.

“Two of my daughters have gone to work in Phnom Penh. One was a garment worker for three months but stopped because she did not like doing the night shift. The other works in her aunt’s shop selling rice. They are 15 and 17 years old, and they left here four months ago. Now they both work at their aunt’s shop and the 15-year-old lives there. The 17-year-old rents a room for \$5 a month, including food. Neither has been able to send money home.

“We have three hectares of rice land. On it we use two sacks of fertiliser, which costs R46,000 a sack. We also use two bottles of pesticide, which costs R3000 per bottle. We would use more fertiliser if we had the money, but we are always short. The best yield we can get is 150 *thang*, but if there is not enough water we can only get 50-60 *thang*. This year we will probably get 60 *thang*. Before we were self-sufficient in rice, but the last year was bad and we were short from Khmer new year till harvest.

“Before, I raised pigs and chickens. Now I don’t raise pigs because they are too expensive to buy and feed; I only raise chickens. My husband works as a moto-dup [motorcycle taxi driver] in Sangke, but only makes a profit of R500-1000 R on a good day.

“This year I borrowed from the rice bank. If you borrow 13 *thang*, you pay 1 ½ *thang* in interest and pay back after the harvest. To buy rice this year is around R13,500R a *tao*. Two to three years ago it was R8000-9000R a *tao*. I buy everything I need in the village, from the large shop.

I don’t know about credit from Santi Sena, but maybe my husband knows. We have never borrowed money, so I don’t know how we would decide. We would not use credit because I am afraid that I could not pay it back. It scares me. We will find the best way to survive. If we are hungry, we will eat less, and we will eat more when we have it.

“Having such a big family makes it hard to survive, but I feel more peaceful when we are together. More children mean more expenses; the children are hungry all the time. We have only one cow and no draught animals. But we all rely on each other. Friends and neighbours now more often lend and borrow from each other to survive.”

## Interview with Keo Vireak

“I am 28 years old. My wife is 25. We have one son and one daughter. I never went to school, but my wife went as far as grade 4.

“I caught malaria when I was a soldier in the army based in Kompong Speu. It costs R100,000 each time I have to be hospitalised. I prefer to go to the private clinic, because I went in 1999 to the public hospital, but they were not able to stop my fever. Since then I have been to the private clinic three times.

“I borrowed R100,000 for one month to pay for the clinic. The interest was R1000 a day. I could not repay it on time, so the interest in the second month became R10,000 a day. A month after leaving the clinic, I went to the barracks to get an advance on my salary.

“My military salary was R70,000 a month. If you get an advance, for each month R5000 is taken out of what is given to you. For month one you are given R65,000, month two R60,000, month three R55,000. Now I have given up being a soldier and have been removed from the list at the base because I am sick, it is far from my home and I prefer to be with my family.

“I borrowed from the moneylender twice. The first time I paid back with some of the advance of my army salary. But the last time my illness was severe and I was in the clinic or in bed for two months. The clinic charges were R200,000, which I had to borrow. I paid this off in the three months I negotiated.

“I did not need collateral for the loan, but the moneylenders visit the house and see what you have before they will lend you any money. Many people in the village have borrowed from moneylenders, and only about six out of 10 can afford to repay without selling something—a cow or a pig, for example. Very poor people can not borrow from moneylenders because their loans have to be repaid quickly.

“I have never borrowed money from Santi Sena. I don't know much about what they do. If I borrow R50,000 from the moneylender, the interest is R500 per day. This is for a short-term loan, usually one month. In the last four years, normally I begin to borrow in October to buy rice until the harvest. I promise to pay back after the harvest. If you cannot pay back in the negotiated period, the interest increases to R5000 instead of R500 a day.

“I have one hectare of rice land. We can't afford to hire labour, so the family does all the work. We get enough rice for eight to 10 months, so we have to buy to cover the remaining months. Prices have risen over the last year.

“Life is difficult, especially because of my malaria. The poor get poorer, just working to pay the moneylender while the rich get richer. The moneylender is able to live by not doing anything else but lending money.”