



**THE LENDER OF LAST RESORT: UNDERSTANDING
THE DEBT DEPENDENCY OF HAGONoy RICE FARMERS
ON LOAN SHARKS FOR CAPITALIZATION**

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Abstract:

In the agricultural sector, rice farmers face financial distress due to volatile market conditions and high operational costs, leading them to borrow from high-interest sources like loan sharks frequently. This study aimed to explore the pivotal moment that led to their dependence on loan sharks, their struggles, and coping mechanisms and to attain a thorough understanding of their lived experiences. This study used a phenomenological approach to assess the perceptions and experiences of an individual. The 12 participants are selected using snowball sampling and undergo an in-depth individual interview. Moreover, the thematic analysis was utilized to identify participant similarities and differences. This study determines that rice farmers in Hagonoy, Davao del Sur, have financial difficulties due to the lack of cash, prompting them to resort to loan sharks for unsecured loans since they are easy to access, emphasizing their financial exclusion. The rice farmers face high interest rates, financial struggles, debt burdens, constant debt cycles, dependency, limited options, emotional stress, and uncertainty. Gradually, they established coping techniques based on resilience and hard work, persistence and determination, financial management and planning, and community and government support. Hence, this study implies that the government may establish accessible financing organizations with obtainable terms to support farmers while also ensuring the transparent distribution of financial assistance, fair pricing, and fostering of agriculture's role in economic development.

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1. Introduction

Accruing debt is inevitable in this modern world due to unstable swings in the agricultural sector. Emerging nations have been plagued with debt for thousands of years (El Banna, 2022). Due to the high cost of land inputs, low output prices, and additional household expenses, farmers cannot finance their operations with the money they now have. As stated in the study of Varley (2022), farmers' alternative method to address the issue of low agricultural returns is through borrowing. Small farmers' increasing spending demands and low revenue streams leave them with little choice but to incur high debt interest rates (Reddy *et al.*, 2020). As mentioned by Omobitan and Khanal (2022), farmers' behavior upon choosing financial sources is influenced by several factors, including risk tolerance, age, education, income and land ownership, and off-farm employment.

Loan services for the underprivileged are frequently available in developed and developing countries (Zainuddin & Yasin, 2020). Loan sharks are becoming prevalent in many nations worldwide, including Asia. Many small farmers in Cambodia are more inclined to use the services provided by loan sharks even though the interest rates are high as they are not aware of the risks associated (Possner *et al.*, 2022). Supported by Ray (2019), the flexibility offered by loan shark services had emerged as a selling factor that increased community preference for the services in rural areas of India.

Agriculture carries a high social and economic risk. It requires financial resources to cover costs resulting from unanticipated natural disasters and to fund cultivation operations, regardless of scale. Typhoons in Nueva Ecija cause farmers to become heavily indebted, forcing them to take out loans from loan sharks to finance their crops (Lubang, 2019). The uncertainty leads to more debt accumulation following each strike. Locally, the widespread presence of loan sharks has been attributed to various factors, including people's customs and cultures, social networks' ease of access, strong connection to the community, and efficiency. Many people acquire the services offered by moneylenders because they are denied access to financial institutions because of their poor credit rating, low income, or urgent need.

This study is anchored on the Theory of Indebtedness proposed by Greenberg (1980), which holds that the state of indebtedness of a person influences them to be motivational qualities whenever they feel uncomfortable. They would become more eager to manage their problem or deficiency. This theory of indebtedness presumes that a person takes on debt to invest in or obtain funds for operating a business. When an entrepreneur who wants to start a business or grow an existing one needs enough funds to develop the business, capital has a significant role in production. As supported by

Istinganah and Widiyanto (2020), adequate capital affects a business's growth, profitability, and efficiency.

This study provided significant information and a comprehensive understanding of the perceptions of the Rice Farmers in the Municipality of Hagonoy, Davao del Sur, on their Debt Dependency on Loan Sharks for Capitalization as their last resort. This study benefits the researchers as it provides them with knowledge of the circumstances and experiences of the farmers and an in-depth understanding of how farmers' perspectives, responses, and actions lead to resolving the problems they have faced. The readers also benefit, as this provides them with necessary information about the farmer's dilemmas, influencing their decision to acquire debt from loan sharks for capitalization. Thus, it would help future researchers as this study provides additional concepts, knowledge, and a reference point for future studies.

2. Research Objectives

This study determines and understands the experiences and challenges of the Rice Farmers in the Municipality of Hagonoy, Davao del Sur, to understand their perspective on their debt dependency on loan sharks for capitalization as their last resort. Specifically, this study seeks to answer the following questions:

- 1) What was the turning point that made rice farmers dependent on loan sharks as their source of capitalization?
- 2) What was the life of the rice farmers like when they became dependent on loan sharks?
- 3) How do the rice farmers cope with their situation?

3. Participants

The participants in this study were rice farmers aged 25 years old and above who own land and reside in the Municipality of Hagonoy, Davao del Sur. The participants have experience applying for or acquiring funds from cooperatives or other sources and have acquired debt from loan sharks. This study also considers the exact size of the farm owned by the participants. The participants in this study must be from the selected barangays within the municipality, with 12 participants. Participants excluded in the study are 24 years old and below, farmers who do not own a farm, produce different crops, do not reside in the Municipality of Hagonoy, Davao del Sur, and have yet to acquire debts from loan sharks. A participant has the authority to withdraw at any time. Upon withdrawing, the participant must inform the researchers that he/she wants to withdraw. The participant might or might not disclose their reasons for withdrawing from the study.

In choosing the participants, the researcher used snowball sampling upon choosing the participants in this study. Snowball sampling is a widely utilized qualitative research technique emphasizing network and reference elements. Generally, the

researchers begin with a limited number of qualified participants who meet the criteria of the study and are given a chance to participate. Consequently, the qualified participants are asked after the interview to suggest further connections who might be able to refer a participant (Parker *et al.*, 2019).

4. Instrument

This study used a guided interview questionnaire and a face-to-face interview to gather qualitative data. Participants who have been recommended and deemed eligible have gathered all the data. Face-to-face interviews allow the interviewer and the interviewee to have a delay-free, secure environment where the interviewer can read the interviewee's body language (Saarijärvi & Bratt, 2021). As noted by Johnson *et al.* (2021), in-person interviews yield transcripts with a high word count, and discussion turns. Thus, in-person interviews are the most popular method in qualitative research.

In gathering data, the participants were asked sub-questions in addition to three (3) significant questions from the researcher. Face-to-face interviews were used to evaluate individuals to ensure they met study eligibility requirements, and they will be subject to in-depth interviews. Through these, it was easier for researchers to gather information about participants' experiences, interests, attitudes, and more significant insights from the study's objective. To get more details and insight, the interviewer may ask further questions. For data transcription, the interviews are audio recorded. Identifying recurring themes was accomplished by using thematic analysis. Adhering to the participants' privacy and confidentiality shall come first.

5. Design and Procedure

This study used phenomenological research to understand participants' perceptions, experiences, attitudes, and behavior. A type of research called qualitative research that makes sense of practical issues and offers solutions. Allan (2020) states that qualitative research methodologies are characterized by the in-depth comprehension of participants' habits, perspectives, and viewpoints, which is necessary for accurately representing social activity. The mindset needed for qualitative methods is significantly different. Its goal is to comprehend and analyze data instead of attempting to explain and influence variables. Contextualized and interpretive research emphasizes the development process or patterns rather than the research product or outcome.

The following procedures were observed to obtain the required data. First, the researchers determined whether qualified participants could undergo an interview. Second, the researchers secured informed consent from the participants, indicating they were willing to participate in the study. Third, the researchers gathered the data through conducting interviews correctly and accurately. Fourth, the researchers transcribed the information collected from the audio recording from the first phase and translated it afterwards. During the familiarization phase, the first coding is done using a specialized

coding program; notes are made by taking notes either using a table within a Word document or a printed transcript. Move the codes back and forth to create distinct themes at the end. Next, review, improve, identify, and explain each topic found during the first stages. Finally, write up the final results and include participant quotes to illustrate the conclusions.

In the context of Terry and Hayfield (2020), Thematic analysis (TA) is an effective analytical technique that enables researchers to report their interpretation of a qualitative dataset by generating patterns based on themes and meanings. As stated by Neubauer *et al.* (2019), phenomenology is a type of qualitative research that examines an individual's lived experiences. The phenomenological approach aims to explain the meaning of this experience, including how it was experienced and what it meant.

This study strictly adhered to the protocols and ethical standards established by the Research and Publication Center. Researchers sought and obtained permission from relevant school administrators to conduct this study. Consent is given voluntarily, and subjects should be aware of what is being asked of them. This implies that participants need to be briefed about the research, understand the information, and be able to decide whether or not to partake in the research. Participants can now participate in this study after the research methodology has been explained in detail. They had ample time to ask questions and voice their opinions. The interview sessions, phone conversations, data analysis, and dissemination of information were carefully managed. The confidentiality and privacy of the participants are guaranteed by not revealing names or identities during data collection, analysis, and publication of research results.

6. Ethical Considerations

The researchers conducted the study in accordance with all the ethical guidelines. The UM Ethics and Review Committee (UMERC) reviewed and approved them. At the same time, the researchers followed the standardized requirements and protocol assessments, particularly about population and data management such as, but not restricted to:

6.1 Voluntary Participation

Participants were free to take part without fear of implications. As a result, the participants' rights to participate in the study were carefully considered and respected after being informed of its goals and advantages. Participants who choose not to participate in the study can stop their participation at any time without imposing any penalties.

6.2 Privacy and Confidentiality

Participants' personal and professional data for the study was kept confidential, and the data collected from respondents were kept private. The researchers ensured that the information was kept from uninvited parties or disclosed outside the research setting.

6.3. Informed Consent Process

The informed consent did not contain technical jargon and was easily understood by the study participants. Each participant received a research questionnaire with the approval of the authorized command channels and the participants. Informed consent states the risks and benefits and encourages participants to respond by indicating they are aware of them.

6.4 Risks

The researcher mitigated this risk by employing the same design and structure that the experts had validated to conduct in-depth interviews for the survey.

6.5 Plagiarism

No representation that could lead to plagiarism was found in the study. The researcher communicates the concepts from various academic sources by using Grammarly as an editing platform to confirm proper grammar usage, and Turnitin was used to manage the similarity index.

6.6 Fabrication

The researchers asserted that there was no proof of mistaking other people's work for their own. Additionally, the researchers did not intend to intentionally present false and contradictory conclusions about the current literature in the manuscripts.

6.7 Falsification

The researcher on dependable and credible studies would be found. Specific identification of the authors was done, and their research would serve as the foundation for the study.

6.8 Conflict of Interest

There were no conflicts of interest in this study because its main concerns were the well-being of the participants and the reliability of research trends.

6.9 Deceit

The study guarantees that no harm would come from the participant's data provided. The researcher did not trick the participants in any way. Strict adherence to the requirements prevented moral dilemmas and negative feedback.

6.10 Authorship

The researchers' advisers guided them as they drafted this study and made critical changes to the intellectual content. The researchers and their adviser, a co-author of this study, have agreed in advance on the study's presentation and publication.

7. Results and Discussions

The study finds out (3) three divergent themes. The first main theme is becoming dependent on loan sharks as farmers' primary source of capital with its sub-themes, which are financial exclusion, lending efficiency, and unsecured loans. Additionally, the second main theme is the life of the rice farmers in becoming dependent on loan sharks that has a sub-themes, which are high interest, financial struggles, and debt burden, constant debt cycle, dependency and limited choices, and emotional strain and uncertainty, and the coping mechanisms of farmers in being dependent on loan sharks. Furthermore, the third main theme is the coping mechanisms of farmers in being dependent on loan sharks and its sub-themes resilience and hard work, persistence and determination, faith and hope, financial management and planning, and community and government support.

7.1 Becoming Dependent on Loan Sharks as Farmers' Primary Source of Capital

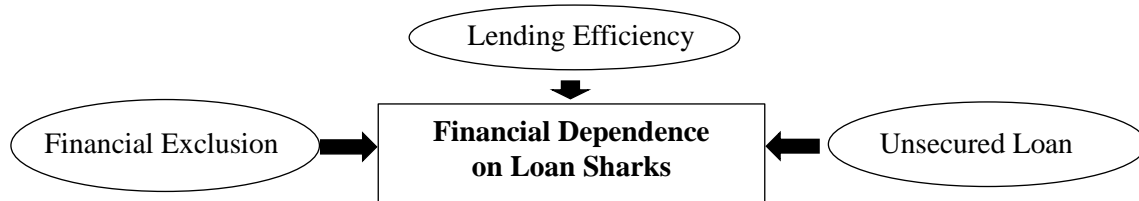


Figure 1: Rice farmers pivot on loan sharks as their source of capitalization

Farmers do not always equate to wealth and superiority over non-farmers; they also require capital for their land cultivation. Farmers opt to borrow from loan sharks and grow dependent on them because of the financial exclusion, lending efficiency, and unsecured loans. Additionally, loan sharks do not require collateral and requirements and are prevalent in rural areas like the Municipality of Hagonoy.

A. Financial Exclusion

According to the participants, financial exclusion is one of the reasons contributing to their dependence on loan sharks. However, farmers find loan sharks the easiest way to borrow money for farming.

Participant 1 mentioned that,

“Wala may laing mapuntahan nga mas labing sayon. (There is no other and easier option.)” [Par 1, Line 1]

Participant 4 added that,

“Wala may laing kautangan diha raman gyud dali ra kaayo ma kuanan. (There is no other option and it is easier to borrow money from them.)” [Par 4, Line 41]

Participant 11 stated that,

“Wala may laing kautangan haha mao naman gyud ni among kuan kay mao naman gyud nagfinance namong tanan traktor, tanom ...dali ra pud madoolan pud mahangyo. (There is no other credit option. Loan sharks provide financing for our farming. Other than that, we can run into them easily).” [Par 11, Line 129]

Three participants stated that the area's lack of available finance options forces them to borrow money from loan sharks, which is the easiest option. Idris (2020) stated that the primary cause of utilizing informal moneylending, despite its high interest rate, is limited access to financial institutions such as banks. As supported by Amanda (2024), the reason that people depend too much on loan sharks is due to the limited options of funding sources, especially formal financial institutions. However, because of their flexibility, people in rural areas have greater trust in informal financial institutions, making it challenging to introduce formal financial institutions to them (Dagnachew & Mawugatie, 2022). Despite this, financial institutions—particularly those in developing nations—must offer low-interest loans to rural areas as part of their core duties (Vogel, 2021). Thus, the limited availability of finance options in rural areas influences dependency on loan sharks, meaning farmers have little choice but to take on high-interest debt.

B. Lending Efficiency

Farmers, especially in rural areas, only take out loans when the planting season is about to start. They immediately go to their source for a loan of any amount at any time for agricultural purposes, and loan sharks give and offer them that service immediately. Due to the nature of loan sharks, farmers developed dependency. To support this, the following are their responses.

“Kinahanglan jud namo ug kwarta labi nag naa kay gamiton na wala kakuan mudagan jud mi anang mga 5/6 kay dali man mahatag. (We borrow money to loan sharks because they can release the money easily whenever we need it, especially when we have urgent expenses.)” [Par 2, Line 17]

“Makatabang jud siya ug dali-dali kay pagmoingon ka nga mo utang ka anang kuana mohatag man dayon mao nang kwarta gyud dayon, magamit dayon. (It is really helpful because they release the money quickly and we can use it immediately.)” [Par 2, Line 18]

“Tungod kay dali lang ang release sa kwarta, dali namo magamit kay sa didto man gyud ka sa lain nga kuan sama sa coop nagkinahanglan pangcollateral dugay pa ang proseso diha sa 5/6 dali lang pag-ingon nimo nga mangutang ka, tagaan dayon ka basta para sa humayan. (It is because they release the money easily when it is for farming and

we can use it right away. However, in other financial institutions it is different just like in cooperatives because they need collateral and the process takes a long time.)” [Par 3, Line 30]

“*Ang nakanindot kay dali lang ang release matagaan dayon ka.*” (The best thing about loan shark is they release the money easily and quickly)” [Par 3, Line 31]

“*Naka-nindot, dili man gud sya ingon nga nindot kay dako man siya ug interest though wala man tay laing kapaingnan.* (It’s not really good because it has high interest. However, I don’t have any other option.)” [Par 4, Line 42]

“*Dali ra siya madoolan kay inig hangyo nako muhatag siya kay inig human bayaran man pud dayon.* (It is not really good because loan sharks have high interest rates. However, I do not have any option, and I can approach them easily because they release the money immediately as I will pay for it right away.)” [Par 4, Line 43]

“*Kay dali raman gud mo release.* (Because they release the money immediately.)” [Par 5, Line 53]

“*Dali raman gud mo approve.* (The approval of fund is quick.)” [Par 5, Line 54]

“*Mao lagi na kanang dali ra lagi ta releasesan paghangyo basta naay kwarta, hatagan dayon ka, piyongan na lang bahalag mahal ang porsyento kay nanginahanglan man.* (They release the money immediately, and we just ignore the high interest that it has because we need it.)” [Par 6, Line 67]

“*Ah, mao raman gyud ang nagapangutang diri sa duol.* (It is the easiest and available way to borrow funds here.)” [Par 7, Line 78]

“*Kay dali raman makahulam ug kwarta.* (It is because I can borrow money easily.)” [Par 8, Line 92]

“*Nagautang ko sa 5/6 kay dali ra ilang release makuha dayon nako akong kwarta pagka-ugma.* (I acquire debt to loan sharks because they release the money so easily that I can already have it by tomorrow.)” [Par 9, Line 105]

“*Ahh kana lagi inig pangayo namo para gastuhon mahatag dayon...naanad rapud sila.* (When we borrow money from them for our expenses, they give it to us immediately.)” [Par 11, Line 130]

Most participants have borrowed money and become dependent on loan sharks because loan sharks are accessible and disburse expedited loans. They see loan sharks as

being within their reach when a problem with farming funds arises. In addition, developing countries face enormous obstacles, particularly in rural regions where farmers lack access to formal financial institutions for lending because of various limitations (Khan *et al.*, 2024). As stated by Sungkawaningrum *et al.* (2022), borrowers prefer to go through loan sharks due to their ease of borrowing, flexibility in payment adjustments, and lack of requirements. Furthermore, people can also gain from loan sharks since, in addition to saving time, they can give money to those needing funding (Maulidizen *et al.*, 2022). According to the claim above, loan sharks have several benefits, including the accessibility and speed that attract farmers to borrow money from them to capitalize.

C. Unsecured Loan

Loan sharks offer unsecured loans in which they do not need any collateral or have many requirements for borrowing money. Consequently, farmers borrow from them for that purpose. Without doing anything further, they can request debt, and funds are released immediately.

Participants 3, 6, 8, and 9 mentioned that,

“Tungod kay dali lang ang release sa kwarta, dali namo magamit kay sa didto man gyud ka sa lain nga kuan sama sa coop nagkinahanglan pangcollateral dugay pa ang proseso diha sa 5/6 dali lang pag-ingon nimo nga mangutang ka, tagaan dayon ka basta para sa humayan. (It is because they release the money easily when it is for farming and we can use it right away. However, in other financial institutions it is different just like in cooperatives because they need collateral and the process takes a long time.)” [Par 3, Line 30]

“Ah, usahay man gud nganong mapunta na lang mi aning 5/6 kay wala man dayon daghan mga requirements ani kay kung mohangyo mi sa nagpautang sa 5/6, okayhan man dayon releasesan mi dayon. Mag-agwanta lang gyud mi sa taas nga porsyento. (I ended up taking debt on loan sharks because they don’t have many requirements and release the funds immediately. We just endure the high interest that it has.)” [Par 6, Line 66]

“Kay dali ra ang process ug kuan pagkuan ug wala nay kwarta na. (They have an easy process.)” [Par 8, Line 93]

“Nindot mangutang sa 5/6 kay dili problema ang pagrelease kay walay daghan requirements. (It is convenient to acquire debt to loan shark because there are no necessary requirements.)” [Par 9, Line 106]

Participants 10 and 12 added that,

“Mas dali raman gud ang process kaysa bangko. (The process is easier compare to banks.)” [Par 10, Line 117]

“Sa bangko dugay kaayo oy daghan kaayo kinahanglan syempre nakaprobar baya mi sa bangko..dugay lagi ma.. daghan kaayo ug process interbyu nya CI dugay pa kaayo balik-balik gyapon sa ilaha. (Subsequently, banks have a lot of requirements and conduct credit investigation (CI), which complicates and lengthens the procedure. So that, we still ended up taking debt in loan sharks.)” [Par 10, Line 118]

“Dali raman irelease tapos dili na chichiburichi ang requirements. (They release the money without requirements.)” [Par 12, Line 141]

As mentioned above, most participants in the statement took out loans from loan sharks since they had no regulations or collateral requirements than formal financial institutions. Taking on debt from loan sharks also offers a simple application process that saves time and effort when applying for loans from lenders. The absence of loan application procedures is one factor that draws people to loan sharks for credit acquisition, as mentioned in the study of (Maulidizen *et al.*, 2022). Supported by Maulidizen *et al.* (2022), in their other study, collateral imposition depends only on the amount of money, and loan sharks' activities involve simple terms and procedures. It provides processing in less than an hour, and credit history checks are completed without needing them (Taleb & Ghosh, 2022). Therefore, it is apparent that farmers depend on loan sharks due to the convenience they provide.

7.2 Life of the Rice Farmers in Becoming Dependent on Loan Sharks

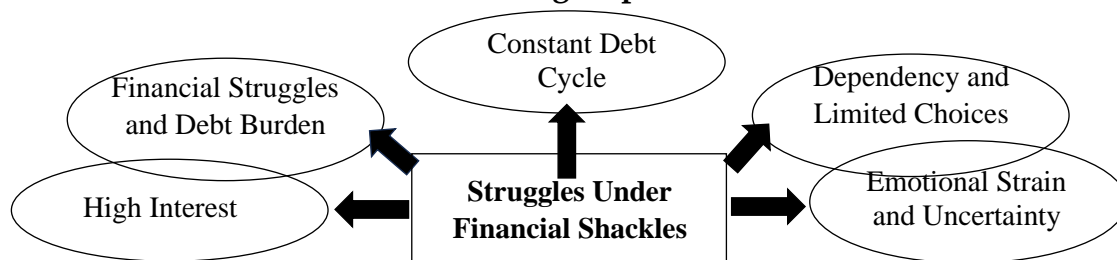


Figure 2: Life and financial experiences of rice farmers in being dependent on loan sharks

Rice farmers are known for their role as the people who grow rice as a crop, which is one of the main food crops grown worldwide. The life of rice farmers has many obstacles that make their work challenging, such as becoming dependent on loan sharks to sustain their farming activities and provide for their families' needs. The rice farmers' financial and life experiences as they become dependent on loan sharks lie upon the following: high interest, financial struggles, and debt burden, constant debt cycle, dependency and limited choices, and emotional strain and uncertainty.

A. High Interest

Farmers who depend on loan sharks for financial support encounter difficulties and discover that these lenders have downsides, such as high interest rates. High interest rates are inherent in those informal financial institutions, but farmers continue to choose to confront, ignore, and live with high interest rates.

Participants 1, 2, 3, and 4 mentioned that,

“Aw, wala gyud nanindot ana kay mag-antos man ta ug bayad, dako kaayo ug kanang kuan kung naa pay laing makuhaan nga source nagnong dili gud. (There is no good in borrowing money to loan sharks because we suffer in paying a large amount of money. Also, we will not borrow to them is we have other option)” [Par 1, Line 3]

“Dapat kana untang 5/6 no dili dapat ka mangutang kay grabe kadako no makuha ug dili pud lalim ang 5/6 no kay adlaw-adlaw biya no ginakuha pero ug wala kay laing choice diha jud ka dagan kanang wala nakay madangpan. (We should not borrow money to loan sharks if possible because it has daily payments and high interest rate. However, we don't have other option but to acquire funds to them.)” [Par 2, Line 19]

“Ang dili nakanindot sa mangutang ka ug 5/6 kay dagko ang interest niya ang imong income sa farming padulong ra sa interest sa 5/6 kay dako man. (Borrowing money in loan shark is not ideal because the interest is high and can significantly impact your income in farming. In addition, the interest payment alone is substantial leaving you with less income in your farming.)” [Par 3, Line 32]

“Dako kaayo ug interest. (It has high interest.)” [Par 4, Line 44]

Participants 5, 6, 7, and 8 added that,

“Dagkog tubo, dagkog interest. (It has high interest.)” [Par 5, Line 56]

“Samot tag kalubong sa atong problema sa utang sa panginabuhi kay maglisod naman ta ug bayad dako ra kaayo. (The interest is high which makes it more difficult for us to pay.)” [Par 6, Line 68]

“Dako pud siya ug interest pero okay lang kay kinahanglanon. (It has high interest, but I just ignore it because I need it.)” [Par 7, Line 81]

“Dili naka-nindot kay ang dako nga interest ba no ug kaning paningil. (It is not an ideal financing option because they have high interest and the way they collect the payments is harsh.)” [Par 8, Line 94]

Participants 11 and 12 also stated that,

“Kana lang mahal na interest haha kay mahal man gyud ang interest basta sa gawas. (It has higher interest rate because of its nature.)” [Par 11, Line 131]

“Ang dili naka-nindot inig abot sa ting-bayad wala kay ikabayad tas taas ang interest. (The disadvantages are higher interest rate and not having enough money to pay during the payment days.)” [Par 12, Line 143]

Most participants assert that they are struggling to pay the high interest rates loan sharks offer. It leads farmers to the realization that their gains from farming are solely used to pay off debt, further impoverishing them. As stated in the study of Quang (2021), lenders who engage in predatory lending—also known as loan sharks—offer credit interest rates higher than legally required, with short-term repayment terms. Due to the high interest rates, borrowers are burdened and sometimes overlook the risk associated with such rates (Sungkawaningrum, 2022). Jeyapaul and Manimaran (2021) mention that most rural and impoverished people view loan sharks as their primary source of finance when an emergency comes, even if they demand exorbitant interest rates.

B. Financial Struggles and Debt Burden

Farming is a difficult job with no assurance of large profits. Farmers who owe money to loan sharks are likelier to have none left over after harvest. Their existence is filled with numerous challenges and hardships, ranging from debt buildup to a growing responsibility to repay their loan.

Participants 1 and 2 mentioned that,

“Ah daghan oy, ah sa among panginabuhì nga kanang pit-os jud...gipapriority lang ang farming kay mao man gyud atong panginabuhì tanom lang gyud ta kutob sa nay magpautang. (It affects lot, our life is very difficult but we just prioritize farming because it's our source of income. As long as there's people who's willing to lend money to us then we will continue in farming.)” [Par 1, Line 6]

“Sus, dili jud lalim, dili jud lalim ay..kay ngano pagabot sa kuan bayrunon biya gyapon nang 5/6 no ang kwarta dali ra baya mahurot niya utang na pud mao nang dag-dag na pud imong utang lagi. (It is not easy when you borrow money because at the end of the day you need to pay for it. Moreover, it maybe easy to borrow and spend money but time will come that it's very difficult to pay then we need to borrow again.)” [Par 2, Line 20]

Participants 3 and 4 stated that,

“Hastang lisora gyud kay ngano ang income nimo nagpadulong ra sa ilaha, didto ra nagpadulong ang imohang income nga dapat dili unta sa ilaha na lang kay dagko man ang interest sa ilaha ra padulong. (It is very difficult because our income is enough for

the payment to them. Our income should have been for us but we don't have a choice but to pay and give it to them because of the high interest that they have.)” [Par 3, Line 33]

“Nakaapekto ug maayo kay imbes nga naa na unta kay kwarta gumikan kay dako imong abot nabayad man nimo sa ilaha didto raman padulong sa ilaha sa 5/6. (It absolutely affects us because we could actually earn a big amount of money in farming, but because of being indebted to loan sharks, there's nothing left to us.)” [Par 3, Line 35]

Participants 6, 8, 9 and 11 added that,

“Akong kinabuhi gyud, gikan pagminyo nako mag-uuma naman ko mao lagi na lisod kaayo makarecover kay tungod sa mga ibutang na lang nato sa pinansyal, pinansyal sa mag-uuma, pinansyal pa gyud sa atong pag-iskwela sa atong mga anak, pinansyal pa gyud ta sa mga gamiton sa basakan niya wala gyud mi kuan kapital, dili mi kalihok ug basa ug dili mi kapangutang so ug kinsa tong mga nagapa-utang sa kuan sudlan namo tanan atleast mabuhi lang gyud mi. (I am a farmer since I've been married and I can say that it is hard to recover from financial problems. It is very difficult especially that we don't have enough capital to sustain the needs of our farm. So, in order for us to start the cultivation and sustain our needs we borrow money to people that releases easily, like loan sharks.)” [Par 6, Line 70]

“Ay, lisod kay mahal man kaayo ang gasto niya igo ra ang kuan nimo ang income sa kuan imohang gasto gamay ra ang sobra. (It is difficult because the expenses are high. The income is just enough for the expenses and its just a small amount of income that is left to us.)” [Par 8, Line 95]

“Ah, lisod mangutang sa 5/6 kay ang pagbayad labi nag wala kay kwarta ibayad kada-adlaw niya dili raba gyud na sila magpahangyo. (Getting into debt in loan shark is difficult when you don't have enough money to make daily payments.)” [Par 9, Line 108]

“Lisod labi nagmadaot atong humay atong income dili ta kaimpas sa atong giutang..pun-an napud imong utang, kuha napud, mapun-an maong problema gyud nang ingana basta dili ka kaimpas. (It is particularly difficult when there are insect problems affecting the plants and there is no enough money coming in to pay off the existing debt, leading to the accumulation of more debt on top of the previous one.)” [Par 11, Line 133]

Most participants arrived at the same conclusion and discussed similar challenges regarding their financial situation and debt load. They stated that all the money they

made after harvesting their product went to loan sharks to settle their debt; none was left over for them; thus, they took on new debt for the following growing season. As stated by Kumari *et al.* (2023), small-scale farmers suffer financial challenges due to their low revenue and high cash expenses, which makes agriculture loans an essential resource for setting up the necessary investment. In the study of Zheng and Belmihou (2023), borrowers prefer to pay off their debt before their needs because doing so relieves stress and because they only have enough money to settle the portion of their accumulated debt. As mentioned by Vella and Mintoff (2023), having large debts pushes a person and their family into poverty, mainly when their current income barely covers their daily needs. Therefore, farmers' lives are becoming increasingly challenging due to their dependence on loan sharks. Supported by Payne *et al.* (2020), it was discovered that resorting to loan sharks to borrow money is linked to people feeling anxious and distressed. They have to pay loan sharks daily, and their farming profits should be going toward helping them, but instead, they wind up benefiting loan sharks.

C. Constant Debt Cycle

Rice farmers' lives are trapped in a never-ending cycle of debt to loan sharks. When the funds from one debt run out, it becomes a vicious cycle of taking on new debt.

Participants 2, 7, and 8 mentioned that,

“Sus, dili jud lalim, dili jud lalim ay..kay ngano pag- abot sa kuan bayrunon biya gyapon nang 5/6 no ang kwarta dali ra baya mahurot niya utang na pud mao nang dag-dag na pud imong utang lagi. (It is not easy when you borrow money because at the end of the day you need to pay for it. It is very easy to borrow and spend but time will come and it's very difficult to pay then we need to borrow money again.)” [Par 2, Line 20]

“Ang epekto ato makakuan ka makapanginabuhi kag tarong bisan dako-dako ug interest at least marolling ra gyud nimo. Tama-tama pud mahurot, 5/6 na pud ka balik napud ka. (I can still manage our finances even though the interest is high in loan sharks, but when our funds became inadequate then we borrow again to them.)” [Par 7, Line 85]

“Kay dili naman ka kuan kung dili nimo mabayaran ngita napud ka ug pamaagi nga kuan mangutang na pud, para dili na lang ka matanggal ba maroll nalang ka libot- libot murag nahuman ka sa utang. (It affects me in a way that if I can't pay for it on time, I need to look for another solution which is to borrow again. It seems like a cycle.)” [Par 8, Line 97]

Participants 9 and 11 added that,

“Pareha aning mahal sa bugas karon niya ang sweldo perte rang gamaya kulang jud kaayo.. ang income pud ang abot pud sa uma kulang pud kaayo mao nang mangutang napud ug utro. (Due to the high cost of rice these days, along with poor wages from labor and harvest, debt accumulation results.)” [Par 9, Line 110]

“Lisod labi nagmadaot atong humay atong income dili ta kaimpas sa atong giutang.punan napud imong utang, kuha napud, mapun-an maong problema gyud nang ing- ana basta dili ka ka- impas. (It is particularly difficult when there are insect problems affecting the plants and there is not enough money coming in to pay off the existing debt, leading to the accumulation of more debt on top of the previous debt.)” [Par 11, Line 133]

Most participants claimed to be trapped in a debt cycle due to their poor income from employment and farming and how quickly money can run out, particularly when there are other expenses. In addition, they take on new debt to pay off the old debt, starting a vicious cycle. Marinaro (2022), states that households have been using informal lending, most recently for cash during financial crises. As mentioned by Mozumder *et al.* (2022), the following factors in seeking out informal financing that lead to a debt cycle are insufficient capital, expensive inputs, restricted access to formal financial institutions, natural disasters, low financial capacity, need for immediate cash for expenses that arise instantly, absence of government support, and shifts in income. Supported by Kamal *et al.* (2022), some of the reasons for using loan sharks that also disregard one's understanding of usury include paying off prior debt, children's school accounts, beginning a new business, seeking capital, and purchasing pressing and non-urgent necessities. Therefore, several factors cause people to get caught in a vicious cycle of debt, where it becomes difficult to break free from the knot.

D. Dependency and Limited Choices

Farmers feel helpless and have little choice. They have no choice but to rely on these loan sharks because it has closed to them. It puts participants in a cycle where they have to take on debt to pay their obligations, which makes them even more dependent on one another and makes it harder for them to escape the cycle.

Participant 7 mentioned that,

“Kuan katong nangutang nako, syempre katong wala pa ko nangutang lisod gyud kay dili man ko makarecover sa akong panguma, pero tong naay 5/6 nga tan-aw nako nga makaya ra nako akong inadlaw mao to makarecover ko. (Before, when I still don't acquire debts to loan sharks, I find it really hard to sustain our needs in the farm. But it became easy for me when I started acquiring funds to them.)” [Par 7, Line 83]

Participant 8 stated that,

“Paghuman ug pangutang, murag sayon ang kinabuhi haha kay naa man kay kwarta ang kuan lagi ang pagbayad na. (After I borrowed money to loan sharks my life became easy because I have enough funds, but when it is time to pay that’s the problem again.)” [Par 8, Line 96]

Participants 9 and 10 added that,

“Katong nangutang pa ko, lisod jud kaayo akong kinabuhi kay dili sayon magbayad kada-dlaw karon kay ako sang giundangan nag-uma na lang ko lisod gyapon kay kulang ang income balik gyapon sa pagpangutang. (My life is difficult, especially when I have to pay every day on loan sharks. I stopped taking on debts to them, but it turns out that my poor income in farming caused me to take debt on loan sharks once more.)” [Par 9, Line 109]

“Wala man ko nagkuan ug gamay lisod nila kay ug naay importante nimo nga kuhaon pareha atong nagdaot pa atong duha, wala man gyud mi tigom ato kay perting ginastoay kay gemosora pa mi tingkuha pag-mokuha kay kuha naa man gani panahon nga inig ting-ani dili mi makabayad tanan kay naa pa mi short tungod sa kadako sa utang. Okay raman pud siya isumpay lang to siya pero kadugayan maimpas lang gyud hinuon basta makaani lang gyud ta. Makaani-ani ta dili lang gyud mosimang ug lain utanganan daghan bitaw ka ug utang, utang diri, utang didto niya himanhiman wala kay mahimo kay may-manang isa ra imong utangan kay ug naay short sa iyaha ra man gyud na walay laing maningil ba. (I don't have any problems with them. They let us pay the remaining amount during the following harvesting period when we are unable to pay our debt in full due to unforeseen circumstances. The debt will eventually be settled when we are able to harvest. We should only take on debt from one individual at a time so that we can only focus in one creditor.)” [Par 10, Line 122]

Most participants responded similarly, asserting that they have few options for getting money and growing reliant on it. As stated by Chen *et al.* (2020), they have limited options due to credit constraints imposed by formal financial institutions, which restrict their ability to borrow money; these restrictions make raising sufficient finances for their farming activities and expansion difficult. Despite the high interest rates offered by loan sharks, small farmers—especially those less risk-averse—are more likely to borrow money from them (Possner *et al.*, 2022). Furthermore, because loan sharks are seen as an efficient choice that meets their expectations, borrowing from them is thought to be the simplest way to obtain funds and meet necessities (Huda, 2022). Therefore, a lack of other options forces farmers to turn to loan sharks, from whom they still borrow money, because, despite the high interest rates they charge, they see loan sharks as a valuable source of capital for their farming activities.

E. Emotional Strain and Uncertainty

Farmers' life encounters uncertainty and emotional hardship. They constantly worry about their financial situation and the consequences of their inability to repay their debts. Their emotional strain becomes worse by the unforeseen events of farming. It affects their general quality of life, mental health, and farming operations.

Participant 2 mentioned that,

"Ah, perting lisoda gyud dili jud makuan perti jud lisora labi na ug naa kay estudyante. (It is really difficult, especially when you have students that go to school.)" [Par 2, Line 21]

Participant 6 stated that,

"Ma-stress naman ta ani ug huna-huna sa kadako sa atong utang mao na magkaluya na pud ta ani usahay dili nata ganahan mo trabaho huna-huna unsaon, unsaon pagbayad sa atong mga utang na perte nang daghana. Mao na usahay nga mawad-an ta ug paglaom pero padayon lang gyapon ta ani kay wala man tay laing mahimo. Mao nay ingon na kaning laban lang hahaha laban lang, laban lang permi laban lang gyud permanente. (It stresses me out because of the big amount of debt that I have. Sometimes, it makes me feel tired and don't want to work because I'm thinking on how will I pay for it. That's why sometimes it makes me lose hope but despite of that I still continue because I don't have a choice but to always fight.)" [Par 6, Line 71]

"Aw, ug ako'y pangutanon..siguro dili man wala may makuntento gyud siguro sa kinabuhi sa paguuma kay kung moingon tang kuntento..aw dili ta maguna-una ug asenso ta. (sounds of birds) Kinahanglan nga ang kuntento, makuntento siguro ta kung naa na tanan ang kaangayan sa pang-gobyerno ug sa mga pag-uuma ug sa katawhan. Pero ing-ani man gud nga panahon, kung naa tay ayuda gikan sa gobyerno kung unta sa kadako pag-abot sa mga farmers pila na lang. Naay one hundred ingon na lang piso na lang pagabot sa farmers. Mao na unsaon nato pagkuntento. Mao na ang problema sa farmers mo ingon ta ang gobyerno gahatag tinuod ug ayuda, hatag tinuod ug ayuda pero daghan pa man agian dili diay na pwede unta idirect sa farmers ug unsay ayuda. Kana gyud unta sya maayo dili paagi pila pa ka-agency kung pila ka agency ang katong mo gunit dili man to pwede ug unsa pa lubot sa kaldero giulingan imong kamot, kung imong gunitan ana ra gyud na siya. So kung pwede unta nga kung pwede lang unta among gihangyo nga dili lang sa tanan mag-uuma ang ilahang gipangandoy kung naa may ayuda nga ihatag sa gobyerno idirekta na lang jud sa hingtundan sa farmers nga nanginahanglan, mao ra gyud na. Unya isa pa kaning pag-abot sa among produkto kinahanglan iequal pud oh equal pud namo, dako kaayo mi ug gasto niya pag-abot sa among produkto naa nami produkto pangayuon sa farmers so kung pwede ba dili kontrolon sa traders ang amoang kuan among sales unsa na siya. Dili man gud ang gobyerno siguro tapos sa gobyerno pero kaning mga traders naa man gud ni silay association, pag-abot sa panahon mo ingon sila na, ahh mao

ra ni akong kuan..mao ni mao na.. atw so usahay kontrol ambot lang bisag naay bus sa gobyerno..wala ko kabalo pero kasagaran gyud among nakuanan na naa ra gyud na sa mga traders. Mo ingon gani na ilang head nga mao rani kumprada pero naa pud usahay mo lusot pero adto pud ta sa timbangan patyon. (Maybe, I am not. In the life of farmers there is no contentment because if you became contented then you are not thinking of improvement. Contentment will be achieved if there is same priority between government, individuals, and the farmers. However, at this moment the cash assistance from the government is being given to farmers but with deductions already. If it's possible I hope that all of the cash assistance for the farmers will be directly given to us. We also hope that the traders will not control the sales of our crops. Also, there are times that they don't control the prices but their scales are the one that keeps the weight of our crops not accurate.)" [Par 6, Line 72]

Participants 8, 9, and 12 added that,

"Pero kung kuan, dili gyud ka kuan kakontento kay gamay raman ka ug kuan dili gyud siya satisfied pero kuan lang okay ra pud naay konsumo magamit ana madala-dala ra, kung saligan lang gyud ang basakan mao nang magkuan jud ka ug laing epektibo na pamaagi. (I am not contented because the income can't sustain and satisfy us. The good thing about farming is we have rice for our daily consumption, but we can't fully depend on it that's why we look for other options to sustain our needs.)" [Par 8, Line 98]

"Dili jud ko kuntento kay gamay raman ang abot sa akong kuan sa basakan, maayo unta ang gobyerno naa silay ikatabang bisan na lang sa mga pinansyal, ug kanang abuno para among abot mataas-taas. (I'm not satisfied with my life at the moment because of my income from my poor harvest and I hope that the government would help us in terms of financial and fertilizers so that our income will increase.)" [Par 9, Line 111]

"Dili. (Dissatisfied.)" [Par 12, Line 147]

In the statement above, most participants gave the same answers, stating they have experienced emotional distress and uncertainties that lead them to be not contented with the life they have right now, especially in farming. There are a variety of reasons why Filipino farmers face mental, emotional, and financial difficulties. Some of these reasons include rotting crops (Rivas, 2020, as cited by Ancheta *et al.*, 2023), excess harvests that go unsold (Madarang 2021, as quoted by Ancheta *et al.*, 2023), and adverse effects on their salaries that coincide with the introduction of farm machinery, which resulted in them earning less money than they would have if they had used the conventional methods (Calibuso 2021, as cited by Ancheta *et al.*, 2023). As stated by Reyes *et al.* (2021), a local study suggests that people experience anxiety related to climate disasters, which manifests as obsessive thinking, fear, and behavioral impairment. As a result, tropical

solid storms served as the motivation for the calls of these farmers in the Philippines, who begged for aid as their unfavorable environment destroyed their crops and lands (Del Rosario 2021, as cited by Ancheta *et al.*, 2023).

7.3 Coping Mechanisms of Farmers in Being Dependent on Loan Sharks



Figure 3: Coping Strategies of Farmers

The rice farmers' coping mechanisms are their methods and actions to deal with challenging situations, particularly when dependent on loan sharks (Usman *et al.*, 2023). Caminero and Mabida (2022), stated that coping mechanisms and measures helped the rice farmers significantly. Supported by Samoura *et al.* (2023), the coping mechanisms help the rice farmers maintain their composure until they have had time to adapt to the circumstances that they are in entirely. The methods or strategies to cope with reliance on loan sharks are resilience and hard work, persistence and determination, faith and hope, financial management and planning, and community and government support.

A. Resilience and Hard Work

The rice farmers deal with their dependence on loan sharks through resilience and hard work. The viewpoint of rice farmers is distinctive in the natural world, the rhythm of the seasons, and the physical fruits of their labor. However, the rice farmers managed to cope with it with the help of their strong mentality. Hence, rice farmers' resilience and hard work in their most challenging times pushed them to thrive.

Participant 1 mentioned that,

“Ah, among aksyon maningkamot lang gyud ug makatanom, mag-ampo lang ta sa Ginoo nga mo ulan na pud kay aron makatanom ta, ana ra jud, bitaw. O ingon nga mo salig ta nga nay mo tabang nato huna-hunaa gud. Maningkamot lang kutob sa mahimo. (The actions we use includes planting with perseverance and praying to God for rain so we can plant again. We also make an effort to the best of our ability rather than depending on others for assistance.)” [Par 1, Line 8]

Participants 4, 6, and 8 added that,

“Ay oh, maningkamot jud ka kay aron makabayad ka sa imong mga utang, manarbaho ana. kanang mag unsa na..mag ahh unsay ngalan ana oy..magtigom kay aron makabayad. (Yes, in order to pay off the debt being accumulated, one must work really hard and save money.)” [Par 4, Line 49]

“Wala man tay laing kapaingnan..ana ra man gyud, maningkamot raman gyud ta. (We don't have any other choice but to work hard.)” [Par 4, Line 50]

“Ah mao gani, kanang maningkamot ra jud kuan pareha anang sa basakan..oh maningkamot lang gyud ka imong makuanan kay aron sa inig kating-ani makabayad pud ka dayon..utang gyapon. (As I mentioned, I'm working hard particularly when it comes to cultivating the land, so that when the harvest comes, I can pay off my debt. I can still secure that I can still get into debt because I already settled my obligation on them.)” [Par 4, Line 51]

“Mao ra gyud na siya maningkamot na lang gyud ta ani maningkamot, maningtiil. (We really need to work harder.)” [Par 6, Line 73]

“Maningkamot lang jud ka makuan kanang laing pamaagi mananom, kung mahimo lagi unta dili na mangutang. (I just strive harder and if possible, I will not borrow to loan sharks.)” [Par 8, Line 100]

Most participants stated that they set their spirit of perseverance and hard work to endure and cope with their situation. They are working hard to cultivate their lands to sustain their daily living, pay their debts, and find other solutions if they can. The resilience of the farmers implies the ability to adapt positively to a threat or unfavorable event by reorganizing their social circumstances and capital in response to the daily challenges they face. Additionally, resilient individuals create options that foresee threats, making them easier to deal with (Nuvey *et al.*, 2021). The resilience of the farmers implies the capacity to recover from disruptions, which also comes with their ability to adapt and transform to solve and achieve stability through hard work (Czekaj *et al.*, 2020). In addition, rice farmers' resilience responses were adaptable and dependent on the individual's capabilities, the farm's resources, and the environment as a whole (Manalo *et al.*, 2020). Hence, resilience and hard work became some of the coping mechanisms the farmers used to robust their spirit of optimism that supported small-scale farming over an extended length of time in making solutions and other ways to survive (Daugstad, 2019).

B. Persistence and Determination

Even though the rice farmers have faced severe financial hardship, they still show incredible determination and persistence in their farming activities and in handling their

life experiences. Hence, these rice farmers must continue farming and support their families by persevering to overcome the problems despite the countless challenges.

Participant 1 mentioned that,

“Ah, way sayon oy, way sayon lisod pero mangita lang gyud diskarte. (There's nothing easy about it as it is difficult, but we just need to find a way.)” [Par 1, Line 4]

“Ah, wala may sayon sa kinabuhi, ang importante mu-laban lang gyud ka ana ra. (Nothing is easy in this life; the important thing is you keep on fighting.)” [Par 1, Line 5]

“Ah daghan oy, ah sa among panginabuhin nga kanang pit-os jud...gipapriority lang ang farming kay mao man gyud atong panginabuhin tanom lang gyud ta kutob sa nay magpautang. (It affects lot, our life is very difficult but we just prioritize farming because it is our source of income. As long as there's people who's willing to lend money to us then we will continue in farming.)” [Par 1, Line 6]

Participant 4 stated that,

“Ay, ug dili maningkamot, wala gyud. Ug dili ta ka kuan maningkamot nalang ta aron makakaon sa usa kaadlaw katulo ana ra. (If we don't work hard then there's nothing. We need to work hard in order for us to have a meal three times a day.)” [Par 4, Line 46]

“Ay, kuntento ra gyapon kay maningkamot makakuan man..maka..unsa na..maningkamot ka, makalingkawas man gyapon ka. (I am contented but we really need to work hard so that we can still survive.)” [Par 4, Line 48]

Participants 7 and 11 added that,

“Aw, maapektohan jud ka ug kalisod pero pagmaningkamot ka, okay lang. Ang epekto ato makakuan ka makapanginabuhin kag tarong bisan dako-dako ug interest at least marolling ra gyud nimo. Tama-tama pud mahurot, 5/6 na pud ka balik napud ka. (The difficulties I've encountered really affects me, but it became fine as I strive harder. I can still manage our finances even though the interest is high in loan sharks, but when our funds became inadequate then we borrow again to them.)” [Par 7, Line 84]

“Lisod labi nagmadaot atong humay atong income dili ta kaimpas sa atong giutang..pun-an napud imong utang, kuha napud, mapun-an maong problema gyud nang ingana basta dili ka kaimpas. (It is particularly difficult when there are insect problems affecting the plants and there is no enough money coming in to pay off the existing debt,

leading to the accumulation of more debt on top of the previous debt.)” [Par 11, Line 133]

Most participants stated that they need to continue to be persistent and determined for them to survive and sustain their needs despite the difficulties that they are facing. As stated by Colding and Barthel (2019), the determination of natural and human processes is becoming increasingly apparent as an essential aspect of handling the problems of a world characterized by several interconnected problems, such as financial and societal crises. The rice farmers' persistence and determination allow behaviors and farm structures to support one another in a changing environment (Kuhmonen, 2020). Supported by Borychowski *et al.* (2020), the resiliency and determination of rice farmers is the ability of an agricultural operation to endure over the long run by mitigating shocks and adjusting to change to reach the balance between the farm's social and financial circumstances is an advance aspect. Hence, it indicates that farmers' persistent thinking enables them to change farm capacity to align with societal changes and return to the current conditions and functions to overcome their life challenges. These rice farmers choose to endure their situation rather than give up; their persistence made them conquer difficult life circumstances and barriers (Yoshida & Yagi, 2021).

C. Faith and Hope

Besides having resilience and hard work, rice farmers cope with their situations through strong faith and hope despite relying on loan sharks. The rice farmers are strongly dedicated to their work, which comes with optimism from their faith and hope that helps them continue and not give up to achieve the stability they want.

Participants 1, 2, 3, and 4 mentioned that,

“Ah, among aksyon maningkamot lang gyud ug makatanom, mag-ampo lang ta sa Ginoo nga mo ulan na pud kay aron makatanom ta, ana ra jud, bitaw. (The actions we use includes planting with perseverance and praying to God for rain so we can plant again.)” [Par 1, Line 8]

“Aw, among paglaom ani nga tagaan tag ulan ug kining paglaom nato nga ang presyo sa atong gitanom. Unta nga tagaan pud ta ug maayo nga presyo dili lang pud ta iirok ug taman ug naa natay produkto. Mao raman gyud nay paglaom sa kanang farmers nga kanang unta mabalanse ang kanang pagtan-aw nga kanang mananom ta, mo ingon, ang humay mo barato inig naa natay anihunon niya ang bugas perting mahala. Balance lang unta ba nga tagaan pud ta ug maayong presyo inig mamaligya ta sa atong produkto. Dili pud ta kasiguro kay naglambod na sa utang niya kinahanglan irecover pa jud usa ta naay kaginhawaan sa atong paningkamot. Sa kalahian sauna, pit-os kaayo mi, pero karon murag haw-ang pero dili sa ingon nga gumikan sa farming, naswertehan lang pud akong bana nacistizen siya sa iyahang kaliwat sauna, dili sa farming. Mao na nag pasalamat na lang

pud ko nakaabag, pero farming saligan dili gyud ko kaingon nga moana ta sa farming, ambot lang ug naay uban dato daan gani pero angal sa farming oy. (We pray for rain and an acceptable price for our products. We're hoping they'll give us a fair price, but not so fair that they cut it when the goods are already present. Because our product is too cheap and well-milled rice is too expensive, farmers' only hope is to achieve price equilibrium. We cannot make sure because we are already drowning in debt and we need to recover in order to find relief in our efforts. Also, we used to be really poor, but now that my spouse is a citizen of another nation, we have a better life.)" [Par 1, Line 13]

"Mag-ampo na lang jud ka nga makasulbad sa imong problema, ingon ana ampo gyud ka na makakuan, masurvive ka anang problemaha. Hinuon pud kanang mga kuan makasulbad rapud nimo tungod kay naa kay kauban sa pamilya, makatabang gyud pud ginagmay, magtinabangay na lang jud. (We merely hope that we will endure and find solutions to our issues. I can manage, still, because my family is here to support me somewhat. We support one another.)" [Par 2, Line 24]

"Ay sus, perting lisora ug ing-ana oy kanang labi na imong kuan sani dili madali-dali...okay ra pud makatabang ra pud akong bana ug ing-ana gaan-gaan ra pud imong kuan. (It is so difficult but it is fine because my husband is there to help me.)" [Par 2, Line 26]

"Mag-ampo na lang jud ka nga tagaan kanang grasya sa imong pag-uuma para makasulbad para makabayad-bayad ka sa imong utang. (We accrue debt during the cultivation and harvesting processes, therefore I pray that our rice field will yield an abundant crop that will enable us to pay off and settle our debt.)" [Par 2, Line 27]

"Ang paglaom isip usa ka mag-uuma, puhon madako ang income, niya mawala na ang 5/6, sa ato pa nindot ang kinabuhi. (As a farmer, I hope that farming will bring in more earnings, that there will be no more debt from loan sharks, and that this will lead to a better living.)" [Par 3, Line 40]

"Ay maningkamot kay aron makuan, tagaan grasya sa Ginoo..ana nya mas motaas pa, kay aron makabayad-bayad gyud haha, para dako-dako pud ang abot ana. (In addition to my efforts, I pray that God would reward us with further blessings and that our income will rise to the point where our debt will be settled.)" [Par 4, Line 52]

"Ang paglaom namo nga makabayad, makakonsumo mi sa among panimalay ug bugas. Karon bisag gamay kag abot taas-taas ang presyo, kay ang kilo sa humay ron kay 25. Laum oy, kay muingon nila kay taas ang presyo di sulbad-sulbad mi gamay kay mahal man ang presyo, makabayad mi sa among 5/6. (I hope that I can pay for all the debts and other

expenses and sustain our daily consumption. I am really hoping that the price will increase so that our income will increase also. Through this, it will help us to solve our problem and pay for our debts to loan sharks.)” [Par 5, Line 65]

Participants 6,7,9,10, 11, and 12 also stated that,

“Ah, siguro, siguro ang paglaom namo ani nga ambot lang ani, segi lang man ta anig ingon nga naay mga ayuda. Naay mga ayuda pagkaabot sa atoalamoa wala namay klaro. Ang paglaom na lang gyud namo ani nga unta kung mahimo, kung naay ayuda sa gobyerno dili na ipaagi ug pila pa kaagency pila pa ka kuan, i-direct na lang na sa mag-uuma ang mga hinabang. (There is assistance from the government but when it was given to us there's changes and deductions. I hope that the assistance from our government should be given directly to the farmers and it should not be given to different agencies so that there will be no deductions on its amount.)” [Par 6, Line 76]

“Unta hatagan sa gobyerno ug maayo gyud, kanang maayo gyud na hinabang, para mo ginhawwa pud ang mga farmers. (I really hope that all of the farmers will be given the assistance that we need and we can achieve growth.)” [Par 6, Line 77]

“Ay, akong paglaom nga sa akong pagkakuan, ang ako ra gyud abot sa akong humay kung mao rana siya, mao ra pud na. Wala na koy kuanon pa unsa pa na diha. Naga-laom man ko nga atong gobyerno mo-suporta sa atong panginahanglanon nga uban. (I hope that I have a good harvest. I also hope that our government will give us an efficient support in farming.)” [Par 7, Line 90]

“Naglaom ko na unta, naa untay mga tao nga mo tabang sa amoa, bisan na lang savmga abuno ug uban pang mga kuan gastohanan sa basakan. (I hope that someone would come to give us aid, even if it's just merely to help with fertilizer and other field expenses.)” [Par 9, Line 116]

“Aw oh, kana ra jud tagaan assistance sa gobyerno, maayo lang gyud unta lakaw sa panguma oy naa man gyud usahay down kaayo bintaha-bintaha nani ron. (The government's aid alone, together with efficient farming and harvesting practices, is sufficient, notwithstanding occasional setbacks.)” [Par 10, Line 128]

“Unsa may aksyon hahaha..aw, mag-ampo lang gyud mi nga dako among income sa humay para nga wala mi problema, makaimpas sa utang. (We ask God to increase our rice-growing income so we can pay off our debt.)” [Par 11, Line 136]

“Mamahal gyud ang produkto namo kay makaimpas mi sa utang among mabarato. (We're hoping that the price of the goods that we sell will increase in order to pay off our debt.)” [Par 11, Line 139]

“Ang paglaom nako no, unta ang gobyerno naa untay ayuda sa mga farmers nga direct na lang sa farmers. Dili na ipaagi ug mga association kay imbis singko nahimo na lang centavo ang naabot sa farmers. Ug usahay pa gani dili na maabot, storya na lang, kana lang. (It is my hope that the government will directly aid farmers rather than through associations, as there is a possibility that corruption will leave little behind.)” [Par 12, Line 151]

In the above statement, most of the participants gave the same answers, stating that they put a strong faith, hoped to have enough income to be able to pay for their debt and sustenance, and gathered strength from the support of the family, hoping for the assistance of the government and for it to be given to them directly. Hope kept people engaged in the fight, bonded them to the land and one another, nourished their faith in their organizing endeavors, and inspired rice farmers to view their lives and themselves in new ways to achieve growth (Wright, 2023). Evidence was uncovered that ideas about possible yields depend on personal and local experience and that these beliefs and faith have a significant impact on farmers' attempts and knowledge in farming, which helps them in dealing with their struggles (Maertens *et al.*, 2020). Furthermore, it concluded that farmers' cultural practices and beliefs, such as prayer, impact how they adapt and overcome specific problems. Many farmers have a strong belief and hope, which makes them more motivated and strong-headed in facing the struggles that they are in, especially in financial aspects (Jellason *et al.*, 2020).

D. Financial Management and Planning

Financial management and planning are some techniques rice farmers use to cope with their dependency on loan sharks and other financial struggles. This strategy enables the rice farmers to make the best choices for their farms with the aid of the financial plan. Financial management and planning cover everything from record-keeping to analyzing cash flow, providing and using affordable resources to aid in the process, and showing how to make wise financial decisions to beat their dependency on loan sharks.

Participant 1 stated that,

“Epektibo kung depende sa panahon. O, depende raman gyud ta aning pananom nato wala man gani tay artificial, syempre nagkuha ta ug tubig diin man nato kuhaa didto man pud sa natural ug unsa mana atong artificial resources ug wala ang natural, magkuyog jud na silang duha, ang panahon. (It is effective, but only in certain weather conditions since we use natural water, because artificial resources are useless without natural ones.)” [Par 1, Line 11]

Participant 3 added that,

“Naay aksyon, ang no. 1 is hinay-hinayan ug tanggal nang pagpangtutang sa 5/6, kay kung sigohon nimo pangutang sa 5/6 dagko man ang interest. So mahitabo hinay-hinayon hantod makahuman ka sa 5/6, manindot na ang imong kinabuhi kay ngano wala nakay bayaran nga dako na interest. (My first course of action is to gradually cut down on borrowing to loan sharks because doing so would result in heavy interest being accumulated. Therefore, by not borrowing from them as much, I will gradually pay off my debt, which will improve my quality of life.)” [Par 3, Line 37]

Participants 5 and 6 also mentioned that,

“Kailangan magtipid aron makabayad sa utang, usahay nalang ug naay kwarta makabayad.. i-rolling. (I control my expenses so that I can pay for my debts. However, if I have extra money, I use it to invest.)” [Par 5, Line 62]

“I-rolling para ma.unsa ni.. kanang naay gamay maabot pud..makatabang. (I invest to other things so that I will have a small income which helps me.)” [Par 5, Line 64]

“Ah, bahin sa akong sitwasyon, naa gyud pud koy strategy unsaon nako. Bahalag unsa kalisod akong kinabuhi, mangita gyud pud ko ug pamaagi, oh unsa sa akong kalisod. Pananlitan sa akong kalisod nato sa pinansyal, mao na nagbuhi-buhi pud kog mga hayop, buhi ko ug baboy nga anayon kay kung kaluy-an naay mga anak ibaligya ra pud to. Mao nay katabang-tabang ginagmay sa among sitwasyon, mao nay among pamaagi ba nga makatapak-tapak sa among kalisod. (In my situation, I also have the strategy to solve it. Even though life is hard I just find a way to get away from my difficulties. For example, in my financial problems, I raise pigs as investment so that if the piglets will grow then I can sell it. This helps me to solve our problem in some way.)” [Par 6, Line 73]

“Kay mao raman poy akong, ah nganong kato akong gihimo. makita man pud nako ang kaning kung mag-anay-anay, ah ibutang lang nato maabot sa ah more than 100 days, manganak imong baboy, after 40 days mabaligya na nimo. Syempre dako na kaayo to ug tabang sa imong kawad-on anang panahon nga nanginahanglan kog pinansyal labi na ug naa patay gipaskwela may nalang naa tay ikagarantiya “o segi na pautanga ko kay inig halin sa akong baktin, mubayad ko nimo” pwede ikagarantiya”. (This is the way I think will help me, which is raising pigs. For example, after 100 days the pig will give birth, and after another 40 days the piglets can be sold already. This is a big help for us in times of need, especially when it comes to our daily expenses and can be used to guarantee the person that I borrowed from that I can pay for that amount.)” [Par 6, Line 74]

Some participants claimed that they have their own strategies for coping with their financial struggles and beating their dependency on loan sharks. The rice farmers stated that they cannot entirely depend on their gains in farming because it is not enough for their farm expenses and other family needs. The rice farmers also answered about using natural and affordable artificial resources to minimize expenses. It also allows them to budget their income, gradually withdrawing from loan sharks by not borrowing too much and controlling their expenses to maximize the use of their money. Moreover, the rice farmers also diversify their funds by investing in small businesses that can generate additional income that helps them with minor financial problems and to slowly not engage with loan sharks. Farmers used a variety of off-farm and farm financial management measures to mitigate risks because they believed that the risk of producing and selling their crops was the main source of risk they faced (Asravor, 2019). Other than that, the financial management and planning that most farmers have done is employing a range of risk management tools, such as irrigation, water conservation techniques, agricultural conservation, crop and variety diversification, migration, and diversification outside of farming, to manage climate risks (Adnan, 2020). Pakistani farmers mitigate the risk in farming conditions and financial matters by adjusting input use and diversifying the sources of income (Rondhi *et al.*, 2020). In addition, capital budgeting management practices and working capital management help the performance of agricultural businesses as they improve the financial and farming outcomes from their cash flow to financial risk mitigation that assists them in prevailing some financial struggles (Mang'ana *et al.*, 2023).

E. Community and Government Support

The dependency of rice farmers on loan sharks can be minimized if community and government support is available. Community support for the rice farmer allows the producers and consumers to share the benefits and risks of crop production and offer one another assistance. Moreover, rice farmers may have a competitive income from farming if our government supports them to market their crops effectively without anomalies. Thus, it will create an opportunity for the rice farmers to gain profit competitively and help them not to be dependent on loan sharks as their primary source of capital.

Participants 1 and 5 stated that,

“Unta nga tagaan pud ta ug maayo nga presyo dili lang pud ta irok ug taman ug naa natay produkto. (We're hoping they'll give us a fair price, wherein they'll not cut it when the goods are already present.)” [Par 1, Line 13]

“Ang paglaom namo nga makabayad, makakonsumo mi sa among panimalay ug bugas. Karon bisag gamay kag abot taas-taas ang presyo, kay ang kilo sa humay ron kay 25. Laum oy, kay muingon nila kay taas ang presyo di sulbad-sulbad mi gamay kay mahal man ang presyo, makabayad mi sa among 5/6. (I hope that I can pay for all the debts and other expenses and sustain our daily consumption. I am really hoping that the price will

increase so that our income will increase also. Through this, it will help us to solve our problem and pay for our debts to loan sharks.)" [Par 5, Line 65]

Participants 9 and 10 also mentioned that,

"Ah, mahangyo ko sa atuang kanang nagkupot sa kuan nga unta naa unta silay ikatabang sa amoa, kay para nga makahaw-as mi sa kalisod. (I request individuals in the positions that has the authority to assist us in overcoming poverty.)" [Par 9, Line 112]

"Naglaom ko na unta, naa untay mga tao nga mo tabang sa amoa, bisan na lang sa mga abuno ug uban pang mga kuan gastohanan sa basakan. (I hope that someone would come to give us aid, even if it was merely to help with fertilizer and other field expenses.)" [Par 9, Line 116]

"Aw oh, kana ra jud tagaan assistance sa gobyerno, maayo lang gyud unta lakaw sa panguma oy naa man gyud usahay down kaayo bintaha-bintaha nani ron. (The government's aid alone, together with efficient farming and harvesting practices is sufficient, notwithstanding occasional setbacks.)" [Par 10, Line 128]

"Mamahal gyud ang produkto namo kay makaimpas mi sa utang among mabarato. (We're hoping that the price of the goods that we sell will increase in order to pay off our debt.)" [Par 11, Line 139]

A few participants came up with the same answers, stating that it would be better if the price of the rice were acceptable and fair in favor of the farmers paying their loans immediately and helping them avoid engaging loan sharks. The rice farmers are more efficient and productive when connected to various players in farmers' networks to foster collaborative relationships and co-design solutions that address their developmental needs. These are observed as they can establish links with resource suppliers and enhance the networks and capacities within rice farming communities to facilitate greater resource sharing (Minas *et al.*, 2020). In the Indonesian community, it was revealed that the village government's role in empowering farmers is fairly effective. The government's role is evident from cooperation, which is crucial in sharing information and training farmers—a project typically carried out by the village government (Barani *et al.*, 2023). Supported by Tran *et al.* (2022), strengthening the social network among farmers, agricultural communities, and local governments is a way to improve farmers' ability to deal with problems, particularly in marketing their products, unforeseen events, and financial risks. It also revealed that it lessens the vulnerability of farmers who have received training, consultant services, efficient irrigation systems, and input subsidies from community engagement programs and government support projects.

8. Summary

The following section presents a summary based on the results and discussions. It provides an overview of the study, what has been stated about it, and what it has attained. This study finds that the rice farmers in the Municipality of Hagonoy, Davao del Sur, have faced many struggles not just with the market conditions but also with their financial matters, specifically their lack of capital. The rice farmers are experiencing financial exclusion, leading them to become dependent on loan sharks because they lend efficiently and offer unsecured loans without collateral or other requirements.

The rice farmers in the Municipality of Hagonoy, Davao del Sur, faced life and financial challenges when dependent on loan sharks. In addition, the continuous borrowing from loan sharks made the rice farmers live with high interest, which made them encounter financial struggles and debt burdens, a constant debt cycle, dependency, and limited choices. Hence, these struggles made them feel helpless, leading the participants to feel emotional strain and uncertainty.

Furthermore, we concluded that rice farmers are in a state where they are dependent on loan sharks. However, they have also developed techniques to cope and slowly stop engaging with them. The resiliency and hard work of rice farmers helped them deal with it; hence, their persistence and determination during their countless challenges propelled them to cope with it. Also, the rice farmers are driven to keep going to get the stability they need, and this perseverance stems from their faith and hope. Through rice farmers' financial management and planning strategies, they can solve their minor financial problems and slowly stop engaging in loan sharks. The rice farmers can cope with their situation through the support of the community and government because it will create opportunities and subsidies that will help them have enough capital and other assistance without engaging in loan sharks.

Moreover, rice farmers continue their pursuit of virtue in all facets of their lives. Despite everything they have experienced and struggles, they still have goals they want to achieve. The rice farmers have desires for themselves, their fellow rice farmers, and the agricultural community. Most importantly, rice farmers hold a significant role in our society as they are the ones who feed the nation, and they look forward to their voices being heard by the government so that they can take efficient and practical actions. Thus, these rice farmers have their objectives for success in farming: to achieve stability and advance their standard of living.

8.1 Implications

The main objective of this study is to determine the experiences and challenges of rice farmers in the Municipality of Hagonoy, Davao del Sur, which made them dependent on loan sharks as their source of capitalization. This study also aims to understand rice farmers' lives and financial experiences when they became dependent on loan sharks, their struggles, and how they cope. Given that the rice farmers' spending demands are increasing and they have low returns, they face a lot of financial struggles that result in

them being dependent on loan sharks as their financial solution, particularly their primary source of capital. Thus, most of the participants in the study claimed that they had limited choices, making them reliant on loan sharks as a last resort as their source of capitalization.

The researchers conducted an in-depth interview and data analysis of the responses from 12 participants. All of the information gathered from the participants in this study plays a significant role in the future researcher's use.

Other researchers can use this study to inspire and examine the debt dependency of rice farmers on loan sharks for capitalization. This study may guide researchers who want to conduct the same study to guarantee they can comprehend it thoroughly.

There is a lot of responsibility and repercussions when using loan sharks. High interest rates require large payments, and there might also be other repercussions that further impoverish the borrower—especially if they have no other source of income. According to the participants, while their capital problem was resolved, they later encountered another problem that affected them emotionally, mentally, and financially. These are the results of desperate attempts to solve pressing problems. Therefore, it is essential to make morally and financially sound decisions and never act just out of convenience. It might be beneficial to think about other aspects of it. Never allow a few advantages to influence a decision; instead, always choose the course of action that is more advantageous and lower risk. Furthermore, even though borrowing from formal financial institutions requires a lengthy process, borrowers will benefit from the assurance of comfort. Hence, it is crucial for all farmers and individuals that whenever we lack funds, we consider options before making a choice.

May the needs of our farmers be acknowledged, valued, and given attention. Many rice farmers frequently demand that government assistance be given to them directly so that there will be no deductions and they can raise their financing in cultivation. They mainly require financial assistance; thus, we should act because we would not have rice as part of our meals without them.

The findings of this study are helpful for researchers interested in learning in-depth details about the life and financial experiences of rice farmers when they became dependent on loan sharks. Considering that the results of this study are vital nowadays, this could be essential for future researchers who want to learn more about rice producers who have become dependent on loan sharks as their source of capitalization. Future researchers may conduct a quantitative study to explore the debt dependency of farmers on loan sharks for capitalization, highlighting the essential gaps in current knowledge.

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Conflict of Interest Statement

The author(s) declare no conflicts of interest related to this study. The research was conducted independently, and no financial or personal relationships with other individuals, organizations, or entities influenced the outcomes or interpretations presented in this research study.

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