Beyond Employment | Promoting Women's Economic Empowerment through the FISCAL Management Program in Siem Reap, Cambodia

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1. Introduction

Microfinance was once touted as a silver bullet for rural development and poverty alleviation. Small, targeted loans would allow impoverished households access to credit and facilitate investments in new income-generating activities to lift them out of poverty. Altruistic rules and regulations would ensure a fair and equitable process. A commendable idea in its raw, theoretical state.

In practice, however, the sector was quickly co-opted by less philanthropically minded interests. Profit-driven, commercial actors flooded the burgeoning market, introducing predatory lending practices with high interest rates and coercive debt collection measures.[1] With aggressive promotional campaigns and vague lending conditions, unprincipled microfinance actors successfully spread their messages and gained a strong foothold among poor and disadvantaged groups across Cambodia.[2]

Today, Cambodia is the most indebted country in the world by volume of microfinance debt. In a country where the average GDP per capita is well below $2,000,[3] high-interest rate microfinance loans average over $4,200 per capita. [4]

Keeping up with loan repayments is understandably difficult, forcing many vulnerable Cambodians to take additional loans, eat less, and even pull their children out of school. When they cannot pay, they lose their family land and house. [5] Leaving them trapped in a downwards spiral of poverty, desperation, and depression.

Women are especially targeted by many microfinance institutions.[6]

Breaking the highly destructive debt spiral requires targeted efforts to help inform and support Cambodian women. Giving them the tools they need to regain control over their personal economy and financial life.

To further this important mission, Eco-Soap Bank introduced a dedicated financial support and debt management program for all women employed at the soap recycling hub in Siem Reap, Cambodia. The FISCAL (Financial Information, Savings, Competence, And Loan) Management Program organizes savings groups and offers financial education, low-interest refinancing options, and vocational skills training to lower debt burdens and eliminate the need for damaging high-interest rate loans.

This report traces the initial impacts of the program, showing how women experienced tangible improvements in disposable incomes, savings, and life quality. We begin with a brief overview of the Eco-Soap Bank model, the financial support program, and the evaluation frame used to measure and understand impacts. This is then followed by a summary of the progress made during the first **12** months of the program.

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[1] Green W. Nathan, Chhom Theavy, Many Reach, and Estes Jennifer (2023): The Underside of Microfinance: Performance Indicators and Informal Debt in Cambodia, *Development and Change*, Vol. 54, No.4, pp. 780-803
[2] Green W. Nathan & Bylander Maryann (2021): The Exclusionary Power of Microfinance: Over-indebtedness and Land Dispossession in Cambodia, *Sociology of Development*, Vol. 7, No. 2
[3] World Bank Group (2024): GDP per Capita (current US$) - Cambodia, available at: https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KH
[4] Guermond, V, Parsons, L., Ly Vouch, L., Brickell, K., Michiels, S., Fay, G., Bateman, M., Zanello, G., Natarajan, N., Iskander, D., and Picchioni, F. (2022). *Microfinance, Over-indebtedness and Climate Adaptation: New Evidence from Rural Cambodia*. Royal Holloway, University of London.
[5] Green W. Nathan, Chhom Theavy, Many Reach, and Estes Jennifer (2023): The Underside of Microfinance: Performance Indicators and Informal Debt in Cambodia, *Development and Change*, Vol. 54, No.4, pp. 780-803; Green W. Nathan & Bylander Maryann (2021): The Exclusionary Power of Microfinance: Over-indebtedness and Land Dispossession in Cambodia, *Sociology of Development*, Vol. 7, No. 2
[6] International Labor Office (ILO): Small Changes, Big Changes: Women and Microfinance, available at: https://www.ilo.org

2. The Eco-Soap Bank Model

Over 2 billion people do not have access to soap for handwashing at home — resulting in an unmitigated spread of highly preventable illnesses, large numbers of avoidable deaths (mostly young children), and billions of dollars in public health expenditure per year.[7] At the same time, soap factories annually discard around 410 million bars worth of soap waste directly into landfills.[8]

Eco-Soap Bank is a Pittsburgh-based social enterprise working to solve the global hand-hygiene crisis by employing disadvantaged women to recycle leftover soap waste from factories and redistribute it to at-risk communities. By harnessing the value of a previously wasted resource, Eco-Soap Bank is 1) making soap more affordable for marginalized populations, cutting costs thanks to donated raw material while reducing soap industry waste, water footprints, and carbon emissions; 2) generating good-wage employment and training opportunities for women in low-income countries; and 3) producing high-quality recycled soap products that contribute directly in critical settings towards the fight against one of the world's most damaging and overlooked humanitarian disasters – hygiene-related illnesses and deaths.

Today, Eco-Soap Bank operates four soap-recycling hubs in Africa and Asia, generating ongoing employment and training for 175 women. Since 2015, the organization has distributed over 80 million recycled soap bars to 11 million beneficiaries.

3. The FISCAL Management Program

The objective of the FISCAL management program is to eliminate the use of high-interest micro-finance loans among Eco-Soap Bank employees, increase savings and disposable incomes, and reduce finance-related stress and anxiety.

To achieve objectives, the program offers three intrinsically connected, mutually reinforcing components, namely:

1) a debt management and low-interest loan program – offering refinancing alternatives to reduce monthly interest rate payments and provide a sustainable source of funds that can be used to meet emergency cash-flow needs.

2) financial education and savings groups – to help employees manage their personal economy and increase savings.

3) skills training sessions - to gain new tangible skills that can be used to create supplementary sources of income.

Progress is measured using a longitudinal evaluation design. Each program component is tracked through a bespoke set of indicators. Data is collected using surveys and interviews. All program participants are included in the evaluation process. The main indicators used to track impacts are summarized below.

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[7] Townsend et al (2017): Costs of diarrhea and acute respiratory infection attributable to not handwashing the cases of India and China,*Tropical Medicine and International Health*, Vol. 22; UN Water (2023): "*Handwashing/Hand hygiene*", available at https://www.unwater.org/water-facts/handhygiene/

[8] 8.2 billion tons of bars soap was produced globally in 2024. Out of that, 25,3% was handwashing soap bars, 62,5% bathing/body bars, and 12,2% specialty bars (organic, therapeutical, etc.). Focusing on handwashing soap bars only and assuming an industrial production scrap rate of 2% (which is in the lower range of accepted industry standard ratio of maximum 5%), this equates to around 41 metric tons, or 410 million 100-gram soap bars. (8,200,000×0,253×0.02×1000) /1000 = 414 920 000. See: IndexBox (2025): World - Soap And Organic Surface-Active Products In Bars - Market Analysis, Forecast, Size, Trends And Insights, available at: https://www.indexbox.io/blog/soap-in-bars-world-market-overview-2024-5/?utm_source=chatgpt.com; Future Market Insights Inc. (2025): Bar Soap Market, available at: https://www.futuremarketinsights.com/reports/bar-soap-market?utm_source=chatgpt.com; Shoplogix (2024): Understanding Scrap Rate: Key Insights and Strategies; available at: https://shoplogix.com/scrap-rate/?utm_source=chatgpt.com

Table 1. Main Impact Indicators

1) Education and Savings Group	2) Debt Management	3) Skills Training Sessions
• # women educated on savings, loans and interest rates • $ monthly savings • $ total savings • % change in monthly savings • % change in total savings	• $ monthly disposable income (after debt repayments) • % change in disposable income • Change in total $ debt • % debt burden • Change in debt related stress and anxiety • Ability to afford essential expenses (nutrition, bills, school fees, etc.)	• # skill training session completed • # new skills acquired

A total of 33 women participated in this study. Data was collected on two separate occasions. A baseline study was conducted in early October 2024, the results of which reflect the situation before the FISCAL program started. The follow-up (endline) was completed in September 2025, approximately 1 year into the program.

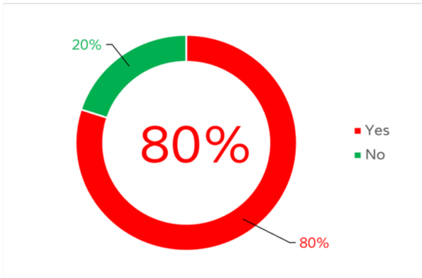
4. Results

The baseline study revealed tendencies that reflect the harsh realities depicted in previous research. In many ways the women represented a micro-cosmos of the wider social landscape. Large loans (relative to income) and high interest rates resulted in excessive monthly debt repayments that drained their available resources and engendered a vicious spiral of stress and anxiety.

The average debt was over $3,000 with a yearly interest rate of 17%. The women spent over 60% of their income just on debt repayments. Disposable incomes (after debt repayments) averaged $84 per month, which was having a tangible effect on their physical and mental well-being.

100% reported that their debts were having a negative influence on their ability to purchase adequate food; 80% said it affected their ability to afford school fees; and 67% had trouble paying for medical expenses. 95% had no personal savings at all. Worry and stress over debt, or debt-related issues, were common.

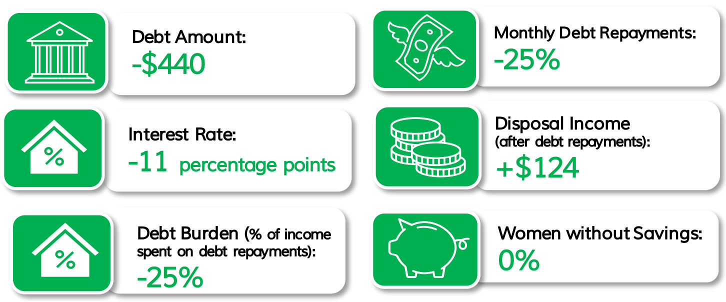
Figure 1. Within the last 12 months, have you had to borrow more money just to repay other debts?



Perhaps most worryingly, 80% reported that they have had to borrow more money just to be able to pay their monthly debt repayments. This practice is indicative of a highly damaging debt-juggling tendency, whose devastating effects have been linked to land dispossession, deep depression, and even suicide.[9]

The 1-year follow up found significant improvements. Debt levels had declined slightly by around $440 per person. However, thanks to the refinancing component of the program, the average interest rate decreased significantly by 11 percentage points from 17% to around 6% per year – representing a relative reduction of 65% in monthly interest payments. Disposable incomes increased by $104 per month (a 124% increase) and the share of income spent on debt repayments fell from 47% to 35% - a drop of 12 percentage points, or around 25%. 100% of women felt the education and training components had helped them manage

Figure 2. Finance Metrics Change



[9] See for example: The Guardian (2023): I am afraid I will kill myself, like my husband: Spotlight on Loan Firms in Cambodia after Indigenous Suicide, available at: https://www.theguardian.com/global-development/2023/oct/23/cambodia-microfinance-loan-firms-indigenous-people; Green W. Nathan, Chhom Theavy, Many Reach, and Estes Jennifer (2023): The Underside of Microfinance: Performance Indicators and Informal Debt in Cambodia, *Development and Change*, Vol. 54, No.4, pp. 780-803; Green W. Nathan & Bylander Maryann (2021): The Exclusionary Power of Microfinance: Over-Indebtedness and Land Dispossession in Cambodia,Sociology of Development, Vol. 7, Number 2, pps. 202–229;

and gain better control of their finances. Thanks to the savings group, all women now had their own personal savings. Improvement of the financial situation then appeared to engender a positive ripple effect on other aspects of the women's lives.

Worry levels decreased significantly, with women reporting to stress less and lose less sleep thinking about their debt. 97% felt the program had helped them worry less about one or more key financial issues – e.g., food running out, affording medical expenses, paying for school fees, etc. The women also felt less restricted by their debt, as illustrated by a clear reduction in women reporting that their debt was having a strong negative impact on their lives.

Figure 3. How often do you worry about your debt?

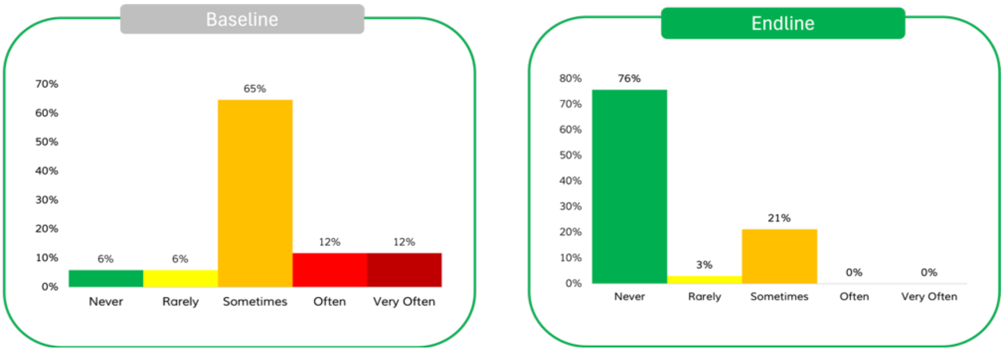


Figure 4. How often do you lose sleep worrying or thinking about your debt?

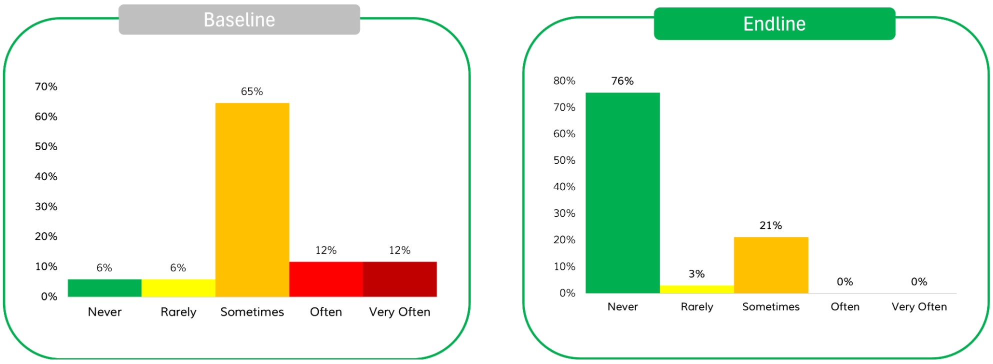
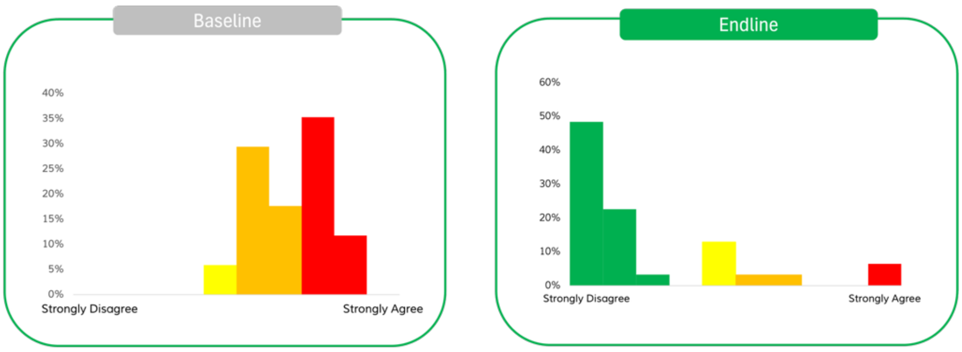


Figure 5. My debt repayments are having a negative influence on the conditions in my life.

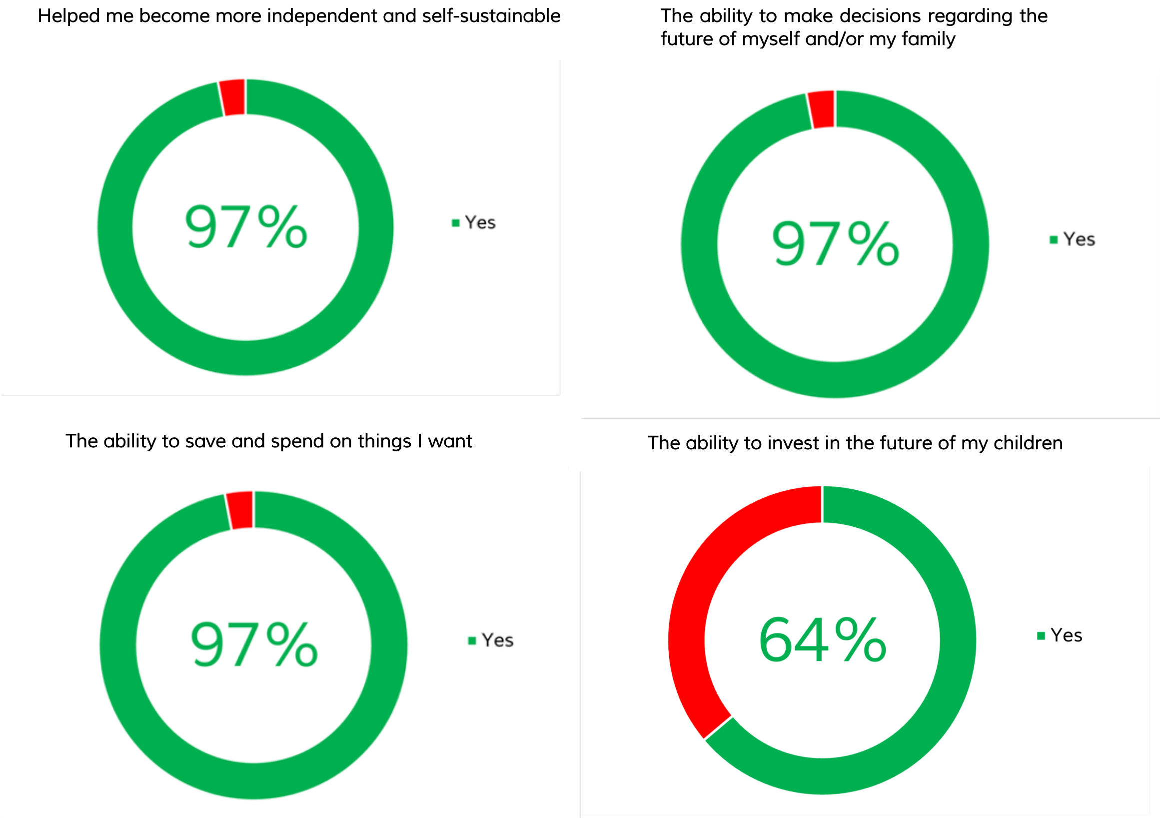


The purchasing power also improved greatly between baseline and endline. At baseline, 100% had struggled to afford one or more of their monthly expenses during the last months. By the endline, this number had decreased to 39%. Only 9% of women struggled to afford school fees at endline – compared to 80% at baseline. 100% reported that they could afford items that they had not been able to purchase before. Popular spending categories covered small everyday items like better food (67%), clothes (82%), electronic appliances (75%), and transport (73%). However, the extra spending power was also directed towards more long-term goals, including better education for their children

(33%), books for studies (61%), home improvement and building material (27%), land (15%), and start-up expenses for their own businesses (24%).

Finally, the women's self-evaluation of the program was largely unanimous. All women felt the program helped them overcome some previous financial problems and improve their ability to control and decide how to spend their own personal income. Most women truly felt that the support program had a transformative impact on their lives.

Figure 6. Do you feel the FISCAL program helped you to improve any aspect of your life?



5. Conclusions

Eco-Soap Bank considers stability and holistic support to be key for personal growth and development. Building a truly sustainable life-foundation for women from difficult backgrounds requires a multidimensional approach. Tangible economic gains need to be underpinned by financial awareness and nurtured through a stable and supportive network.

The FISCAL program in Siem Reap, Cambodia was devised to help women gain control of their private economies and build knowledge and experience that improve their ability to achieve personal goals and dreams. This study shows important progress during the first 12 months of the program. Disposable incomes increased, finance-related stress and anxiety levels went down, and participants felt better equipped to handle the everyday pressures of their financial life.

One year into the program:

- Disposable incomes increased by 124%
- The average yearly interest rates decreased by 11 percentage points
- 100% of women were saving regularly and had their own personal savings
- 100% were now able to purchase items they could not afford before the program
- 97% felt the program helped them become more independent and self-sustainable
- 97% reported that the program improved their capability to make decisions regarding themselves and their family

According to the women themselves, they now have better margins, financial control, and, above all, hope for the future.

- Eco-Soap Bank's FISCAL program has made a positive difference in my life. I now feel happier, worry less, and no longer struggle as much as I did before. I have been able to pay off my bank loans, even those with a high interest rate.

- The program helps me understand my spending and better allocate my savings and earnings.

- It [the program] has helped me support my children's education, buy the things I want, and feel more financially secure. I am also able to enjoy the delicious food I want to eat!

Together, we will continue to build on this encouraging progress, offering bespoke training and support for all women employed at Eco-Soap Bank.