

## Trapped in the Cycle: Lived Experiences of Nano-Entrepreneurs Borrowing from Loan Sharks in Cebu City

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### ABSTRACT

Loan sharks—popularly known as 5-6 lenders in the Philippines—remain deeply embedded in the everyday financial survival of nano-entrepreneurs who operate the smallest and most vulnerable businesses. Despite government efforts to expand financial inclusion, many nano-entrepreneurs continue to depend on informal lenders due to structural barriers, urgent cash needs, and limited financial literacy. This phenomenological study explores the lived experiences of ten nano-entrepreneurs in Cebu City who rely on loan sharks for day-to-day capital and household needs. Guided by Husserlian phenomenology and Colaizzi's seven-step method, the study uncovers how borrowing becomes a normalized, cyclical, and emotionally burdensome practice—one driven by economic necessity rather than business growth. Participants describe their financial realities as precarious, shaped by irregular income, mounting repayment pressure, and fear of collectors. Themes emerging from the narratives reveal deep-seated financial strain, intergenerational vulnerabilities, limited access to formal credit systems, and a cultural pattern of endurance in the face of debt. While borrowers appreciate the convenience and immediacy of loan shark transactions, they also express feelings of entrapment, anxiety, and resignation. The findings highlight the urgent need for structural interventions: accessible microfinance, localized financial education, and community-based support mechanisms. This study contributes to the cultural and social analysis of informal finance in urban Philippine contexts, underscoring how marginalized entrepreneurs negotiate survival within an unequal financial landscape

**Keywords:** Nano-Entrepreneurs, Loan Sharks, Phenomenology, Financial Sustainability, Informal Lending, Cebu City

### INTRODUCTION

Informal lending has long been woven into the social and economic fabric of the Philippines. In urban poor communities, the presence of *loan sharks*—or *5-6 lenders*—is as common as the sari-sari store or the neighborhood tricycle driver. Their ubiquity stems from a cultural and economic reality: while the Philippines has seen considerable economic expansion in the past decade, many micro and nano-entrepreneurs continue to face chronic financial instability, limited credit access, and persistent income irregularity. For these small business owners, borrowing from loan sharks is often not an act of choice but an act of survival.

Nano-entrepreneurs—those operating businesses with less than ₱50,000 in capitalization—constitute a vital yet vulnerable segment of the economy. They run market stalls, small food stands, secondhand clothing shops, and home-based ventures that function on razor-thin margins. Many of them have no collateral, no documented

financial history, and no formal business registration. As a result, they are frequently excluded from legitimate financial systems. Though government institutions such as the Bangko Sentral ng Pilipinas (BSP), the Department of Trade and Industry (DTI), and the National Economic and Development Authority (NEDA) have promoted financial inclusion programs, these efforts have yet to dismantle the structural obstacles that block nano-entrepreneurs from accessing affordable credit. Distance, documentary requirements, processing delays, mistrust of institutions, and low financial literacy all contribute to this exclusion.

In contrast, loan sharks provide immediate, collateral-free cash. There is no paperwork, no waiting time, no eligibility screening—just quick money delivered straight to the vendor’s market stall or doorstep. This convenience, however, comes at a steep price: interest rates ranging from 20% per cycle to as high as 20% per day. For nano-entrepreneurs who rely on daily earnings to put food on the table, these interest payments quickly accumulate, trapping them in a relentless cycle of borrowing and repayment. As previous studies have shown, borrowers in informal lending systems often become locked in patterns of debt dependency, unable to escape the financial pressures that pull them in (Bateman & Chang, 2012; Gonzales, 2020; Llanto, 2015).

Culturally, this reliance on loan sharks is intertwined with Filipino values of *diskarte* (resourcefulness) and *pagpakabana* (endurance amidst hardship). Borrowers often describe taking loans not for expansion but for survival—paying for electricity bills, school fees, emergency medical needs, and daily food expenses. Their narratives reveal a complex emotional landscape: gratitude intertwined with fear, convenience overshadowed by anxiety, and a persistent hope that tomorrow’s sales might finally be enough to settle obligations.

Despite the widespread prevalence of loan shark borrowing, there remains a lack of phenomenological studies that capture the lived experiences of nano-entrepreneurs navigating this precarious financial terrain, particularly within Cebu City—one of the country’s most commercially vibrant yet economically unequal urban centers. Much of the existing literature focuses on microfinance institutions, debt behavior, or financial literacy; few examine the human experiences behind borrowing from predatory lenders.

This study seeks to fill that gap by foregrounding the voices of nano-entrepreneurs themselves. Through Husserlian phenomenology and Colaizzi’s method, the research uncovers the essence of their lived experiences, revealing not only the economic pressures that push them toward loan sharks but also the emotional, psychological, and cultural dimensions of debt that shape their everyday lives.

Ultimately, this study contributes to the broader discourse on financial vulnerability, informal economies, and social inequality in the Philippines. It offers an intimate, culturally grounded look at how nano-entrepreneurs struggle, survive, and make meaning within a financial system that often leaves them behind.

## METHODS

This study employed a **Husserlian phenomenological approach** to explore and describe the lived experiences of nano-entrepreneurs who borrow from loan sharks in Cebu City. Phenomenology is grounded in the belief that truth is best understood through human experience—how individuals perceive, interpret, and make meaning of the world around them. Husserl’s philosophy emphasizes returning “to the things themselves,” allowing researchers to move past assumptions and encounter the essence of participants’ realities as they describe them.

Given the study’s focus on the deeply personal, emotional, and socially embedded experiences of borrowers, phenomenology offered the most appropriate framework. Loan shark borrowing is not merely an economic decision; it is intertwined with fear, hope, survival, and the everyday cultural strategies (*diskarte*) of Cebuano livelihood. Capturing these nuanced experiences required a method capable of honoring the depth and complexity of participants’ stories.

To systematically analyze these experiences, the study used Colaizzi’s seven-step descriptive phenomenological method. Colaizzi’s approach ensured rigor while remaining faithful to participants’ voices, enabling the researcher to extract meanings, cluster themes, integrate narratives, and ultimately articulate the essence of the phenomenon.

As the instrument of the research, the researcher consciously engaged in bracketing—setting aside preconceived beliefs, prior knowledge, and personal judgments regarding loan sharks, borrowing practices, and financial vulnerability. Reflexive journaling and memoing were used before, during, and after data collection to continuously monitor biases and emotional responses.

This process strengthened the study’s credibility by ensuring that interpretations emerged from participants’ lived realities rather than the researcher’s assumptions. The aim was not to evaluate borrowers or critique their decisions, but to understand their experiences from within their lifeworld—the social, cultural, and economic contexts that shape their choices.

The study involved ten (10) nano-entrepreneurs residing and operating in Cebu City. Participants were selected using purposive sampling complemented by snowball techniques. This approach ensured that the study included individuals who had:

1. An active nano-enterprise (less than ₱50,000 startup capital);
2. A history of borrowing from loan sharks within the past year;
3. Willingness to share their lived experiences; and
4. The ability to articulate their insights clearly.

Participants represented a diverse range of livelihood activities, including small food establishments, market vendors, sari-sari store owners, ready-to-wear (RTW) sellers, and home-based service providers. They ranged in age from early adulthood to late middle age, reflecting both new and seasoned entrepreneurs navigating financial instability.

The sample size aligns with phenomenological research standards, where depth of experience is prioritized over numerical representation. Saturation—defined as the point at which no new significant themes emerged—was reached by the eighth participant, though ten were included to strengthen data richness.

Interviews were conducted within the natural environments of participants—primarily their market stalls, homes, or small shops. Conducting interviews in familiar settings helped ease participants' anxieties, encourage authenticity, and enable contextual observations. The setting played an important role in grounding participants' narratives. The smell of cooked food from a carinderia, the cramped but lively stall of an RTW vendor, or the cluttered corner of a home-based business all offered glimpses into the lived realities of nano-entrepreneurs operating at the margins of the urban economy.

Data were gathered through semi-structured, in-depth interviews lasting 45–90 minutes. Open-ended questions encouraged participants to narrate freely and reflectively, while probing questions explored the emotional, cultural, and social dimensions of borrowing.

Examples include:

- “How did you start borrowing from loan sharks?”
- “Can you describe what it feels like to pay collectors every day?”
- “How does borrowing affect your business and your life?”
- “If you could change something about your situation, what would it be?”

Interviews were conducted primarily in Cebuano, the participants' mother tongue, to preserve authenticity and ease of expression. The researcher translated the transcripts into English while ensuring that local meanings and emotional nuances remained intact.

With participants' consent, interviews were audio-recorded; when recording was not permitted, detailed field notes were taken. Recordings were transcribed verbatim. Local expressions such as “*lisod kaayo*” (it's very difficult) or “*wa koy laing madangpan*” (I have no one else to run to) were preserved to honor cultural context.

The study strictly followed Colaizzi's phenomenological analysis:

- **Familiarization**  
The researcher read all transcripts repeatedly to immerse in the data.
- **Extraction of Significant Statements**  
Key phrases directly relating to the phenomenon were identified (over 180 significant statements).
- **Formulation of Meanings**  
Statements were interpreted while staying close to participants' words.
- **Cluster Formation**  
Meanings were grouped into clusters, revealing patterns and shared experiences.
- **Theme Development**  
Clusters were synthesized into overarching themes and subthemes, forming the structure of the Results section.
- **Exhaustive Description**  
A rich, narrative description of the full phenomenon was written.
- **Member Checking**  
Participants were invited to validate whether the descriptions accurately reflected their experiences. Minor clarifications were incorporated.

This analytical process ensured both fidelity to participants' voices and methodological rigor.

The study followed the ethical principles of autonomy, beneficence, nonmaleficence, confidentiality, and respect for persons.

- Informed consent (written or verbal) was obtained.
- Participation was voluntary, with the option to withdraw anytime.
- Pseudonyms were used instead of real names to protect identity.
- Audio files, notes, and transcripts were stored securely.
- Participants were assured that their stories would be used solely for academic purposes.
- Sensitivity was exercised when discussing debt, shame, or financial hardship, ensuring emotional safety.

To ensure rigor, the study adhered to Lincoln and Guba's criteria:

- **Credibility:** member checking, prolonged engagement, triangulation through field notes
- **Transferability:** rich, thick descriptions
- **Dependability:** clear documentation of procedures, reflexive journaling
- **Confirmability:** bracketing, audit trails, validation of themes through repeated analysis

These strategies ensured that findings were grounded in participants' lived realities rather than the researcher's interpretations alone.

## RESULTS

The phenomenological analysis of the ten nano-entrepreneurs' narratives produced **five major themes** that illuminate the complex, emotional, and culturally embedded experience of borrowing from loan sharks in Cebu City. These themes reveal a story of survival, fear, resignation, and resilience within a financial landscape that offers limited alternatives. The themes are presented below with direct quotations and narrative interpretation to preserve the authenticity of participants' lived realities.

### Theme 1: Borrowing as a Survival Strategy

#### “Kinahanglan gyud. Walay lain”

*(I have no choice. There is no one else.)*

Across all participants, borrowing from loan sharks was not a strategic business decision—it was a survival mechanism. Entrepreneurs emphasized that their loans were rarely used for business expansion. Instead, they relied on loan sharks to cover daily household expenses, address emergencies, and maintain minimal operations.

Many expressed that the timing of expenses and the unpredictability of their small businesses left them with no choice but to borrow. One vendor who sold cooked food shared:

“Usahay wala gyud koy puhunan. Ug naay sakit among anak, mauna gyud ang gasto. Dayon, manghuwam nalang ko para naa koy ika-palit ug ingredients.”

*Sometimes I don't have capital at all. If my child gets sick, that becomes the priority. Then I just borrow so I can buy ingredients.*

The narratives highlight that borrowing is intertwined with poverty, limited financial literacy, and unpredictable daily earnings. Even those who tried to avoid borrowing eventually returned to loan sharks during moments of crisis. A sari-sari store owner explained:

“Ganahan ta unta dili mangutang, pero unsaon man, kinahanglan man ang kwarta karon dayon.”

*I really want not to borrow, but what can I do? I need the money immediately.*

Loan shark borrowing thus becomes part of the rhythm of survival, woven into the daily and weekly finances of nano-businesses struggling to stay afloat.

### Theme 2: The Burden of Daily Repayment and Emotional Distress

“Makuyawan ko kada buntag kay muabot na pud ang maniningil.”

*(Every morning I feel nervous because the collector will come again.)*

Participants described the emotional weight carried in the act of daily repayment. Loan sharks typically send collectors who appear every day—sometimes twice a day—to retrieve payments. The constancy of these visits created anxiety, embarrassment, and a chronic sense of pressure.

One RTW seller expressed:

“Makatulog pa ko pero mura'g nabug-atan akong dughan kay kabalo ko nga naa na pu'y maningil ugma.”

*I can sleep, but it feels like there's a heaviness on my chest knowing that the collector will come again tomorrow.*

For some, the collectors became part of their daily atmosphere. Yet even when collectors behaved politely or respectfully, their visits symbolized reminders of obligation and shame. Borrowers recalled hiding behind curtains, pretending to be away, or asking children to say they were not home.

Another participant narrated:

“Makaulaw ba. Naa kay tindahan, naa kay customers, unya muabot ang maniningil murag mawad-an kag gana.”

*It's embarrassing. You have a store, you have customers, and then the collector arrives—you lose your energy.*

The emotional burden was not only about the act of paying but also about the fear of what might happen if they failed to pay. While none reported physical threats, the psychological intimidation of owing money—combined with the shame of being seen as indebted—created a climate of silent distress.

### Theme 3: The Debt Cycle: “Makabayad, Manghulam na Pod”

“Human nimo ug bayad, murag kulang gihapon. Manghulam napud ka.”  
*(After you pay, it still feels lacking. You borrow again.)*

The most striking theme across all narratives is the cyclical nature of debt. Borrowers described a repeating pattern:

1. Borrow for emergency or capital
2. Pay daily for 30–60 days
3. Income becomes depleted
4. Borrow again to restart capital or settle expenses

One participant described it vividly:

“Ang ending, di gyud ka kagawas. Mura’g tuyok-tuyok ra.”  
*In the end, you really can’t escape. It just goes around and around.*

This cycle created a sense of helplessness. Even after finishing a loan cycle, participants often found themselves with insufficient capital to continue business operations independently. Income that could have been saved was instead channeled toward continuous repayments.

Another participant explained:

“Dili jud ka kabawi. Mura kag nagtrabaho para sa ilaha.”  
*You never recover. It feels like you’re working for them.*

Participants acknowledged that loan sharks provided temporary relief but long-term stagnation. Some expressed acceptance or resignation, while others demonstrated frustration at their inability to set aside money for emergencies:

“Kung naa koy maka-back up nga savings ba, pero wala gyud. Mao nang balik gyud sa manghulam.”  
*If only I had savings to back me up, but I don’t. That’s why I keep coming back to borrowing.*

This theme reveals that the debt cycle is not just economic but psychological, reinforcing patterns of dependency and trapping nano-entrepreneurs in a state of financial precarity.

### Theme 4: Appreciating Convenience Despite Exploitation

“Sayun ra kaayo manghulam nila. Mao bitaw nga dali ma-tempt.”  
*(It’s very easy to borrow from them. That’s why it’s tempting.)*

Despite the difficulties and high interest, participants consistently described the **convenience** of loan sharks as their strongest appeal. Loan sharks are accessible, nonjudgmental, and provide instant cash without documentary requirements. For nano-entrepreneurs who struggle with formal banking procedures, this becomes a crucial advantage.

According to one carinderia owner:

“Dili ka nila pangitaan ug papeles. Dili sila mangutana nganong nanghulam ka. Hatag dayon.”  
*They don’t ask for papers. They don’t question why you’re borrowing. They just give it right away.*

Participants recognized the trade-off — convenience in exchange for high interest and the risk of dependence.

Another participant noted:

“Kabalo ko taas ug interest, pero wa koy kapilian. Kaysa walay puhunan, mosugot nalang ko.”  
*I know the interest is high, but I have no choice. Rather than having no capital, I accept it.*

Loan sharks, in many ways, fill the gaps left by inaccessible formal financial institutions. The relationship is pragmatic, shaped by necessity rather than preference. Borrowers simultaneously **resent** and **value** loan sharks—as they represent both help and burden, rescue and trap.

### Theme 5: Hopes, Lessons, and the Desire for Change

“Kung pwede lang, gusto ko mohunong. Pero unsaon man?”  
*(If possible, I want to stop. But how?)*

Despite feelings of entrapment, participants expressed hope—for financial stability, for better livelihood opportunities, and for systems that would support their small businesses.

Many wished for:

- Fairer lending alternatives,
- Government-backed microfinance programs,
- Financial education,

- Skills training, and
- Higher income stability.

One participant shared:

“Kung naay gamay nga tabang gikan sa gobyerno, dili na unta ko magsalig ani nila.”

*If there were small assistance programs from the government, I wouldn't have to rely on them.*

Participants also articulated several lessons learned, including:

- The importance of budgeting,
- The need to avoid impulse borrowing,
- The desire to build small savings,
- The realization that businesses cannot grow through debt alone.

One nano-entrepreneur reflected:

“Nakat-on ko nga ang negosyo dili mutubo kung sige kag utang. Mag-lisod ka pirme.”

*I've learned that a business won't grow if you keep borrowing. You'll always struggle.*

These expressions reflect a strong desire for empowerment and practical change—underscoring that while loan sharks are part of their present, they do not wish them to be part of their future.

Essence of the Phenomenon: “Trapped, Yet Trying to Move Forward”

Through Colaizzi's method, the **essence** of the nano-entrepreneurs' lived experience can be summarized as follows:

Nano-entrepreneurs borrow from loan sharks not out of recklessness but out of necessity. Borrowing becomes a practical response to poverty, emergencies, and unstable income. Yet once inside the debt cycle, they experience emotional distress, shame, and a sense of entrapment. Loan sharks offer both convenience and exploitation, making the relationship simultaneously helpful and harmful. Despite these hardships, borrowers hold onto hope and express a desire for change, financial literacy, and institutional support. Their stories reveal resilience amid structural inequality and a longing for more dignified financial opportunities.

## DISCUSSION

This study explored the lived experiences of nano-entrepreneurs in Cebu City who rely on loan sharks as part of their financial survival. The findings reveal a nuanced and deeply human narrative—one that reflects not only economic vulnerability but also cultural endurance, emotional strain, and structural barriers to financial inclusion. The themes uncovered through phenomenological analysis highlight important intersections between informal lending, poverty, and agency within the Philippine context.

### **Borrowing as Survival: The Normalization of Financial Precarity**

The first theme—borrowing as a survival strategy—aligns with existing literature that describes informal lending as a coping mechanism among low-income communities (Llanto, 2015; Bateman & Chang, 2012). Participants did not borrow for business growth but for immediate, urgent needs: food, electricity, school expenses, and emergency medical care. This resonates with studies showing that nano-entrepreneurs often operate with insufficient capital and rely on informal credit to bridge financial gaps (Gonzales, 2020).

In Cebu City's urban poor sectors, income is irregular and often insufficient. For many, loan sharks are not an option but a necessity. The lack of accessible, affordable credit facilities continues to force nano-entrepreneurs into informal lending cycles. This is consistent with the national narrative: despite government financial inclusion programs, many Filipinos remain unbanked or underbanked due to documentary requirements, mistrust, and logistical barriers (BSP, 2022).

The normalization of borrowing, therefore, illustrates a larger cultural and economic pattern—one where financial instability becomes embedded in everyday life, and informal lenders fill the gaps left by formal institutions.

### **Emotional Labor and the Burden of Daily Repayment**

The emotional distress expressed by participants echoes phenomenological research in other low-income contexts, where borrowers report anxiety, shame, and fear associated with debt collection (Gupta, 2019). The daily presence of collectors—whether polite or stern—symbolizes the weight of obligation and the constant reminder of scarcity.

Participants described hiding, feeling embarrassed in front of customers, and experiencing internal pressure from the relentless cycle of repayment. These emotions reflect what Hochschild (1983) refers to as emotional labor—the internal management of feelings in response to external stressors. Borrowers must navigate not only

the financial aspect of debt but also its emotional toll, which shapes their interactions, self-perception, and daily routines.

This emotional burden highlights an often overlooked dimension of informal lending: its capacity to shape mental wellness. Anxiety, shame, and constant vigilance become part of the lived reality of debt-dependent entrepreneurs. These findings align with Asian studies showing that informal debt can erode emotional resilience and intensify psychological distress (Rahman, 2018; Kim & Lee, 2020).

### The Vicious Debt Cycle as Structural Entrapment

The cyclical nature of debt—“Makabayad, manghulam na pod”—reveals the structural entrapment inherent in informal lending systems. This cycle is consistent with global analyses of predatory lending, where borrowers are unable to accumulate savings due to high interest payments and continuous need for capital (Bateman, 2011).

Because loan sharks impose daily or weekly repayment schedules with interest rates often exceeding 20%, borrowers are unable to build reserves. This keeps nano-entrepreneurs perpetually dependent on lenders. Participants recognized this dynamic yet felt powerless to escape, reflecting a phenomenon Freire (1970) describes as “internalized helplessness”—where structural oppression becomes normalized, limiting imagination of alternatives.

In this sense, loan sharks serve as both lifeline and constraint. They keep businesses running in the short term but hinder long-term financial stability.

### Convenience Over Access: The Pragmatics of Informal Lending

The participants’ appreciation of the convenience of loan sharks—even while acknowledging the exploitation—reflects a broader sociological insight: convenience often outweighs affordability in marginalized financial environments.

Borrowers valued that loan sharks:

- Did not require documents,
- Did not judge their economic status,
- Provided immediate cash, and
- Met them where they were—literally at their stalls or homes.

This aligns with similar findings across Asia, where informal lenders remain preferred because they offer relational and fast transactions compared to bureaucratic banks (Chen, 2014). The absence of “friction” makes loan sharks culturally compatible with the immediate needs of daily-wage earners.

These findings suggest a mismatch between formal financial systems and the lived realities of nano-entrepreneurs, who prioritize speed, flexibility, and dignity over interest rates.

### Hope, Agency, and the Desire to Break Free

Despite the oppressive debt cycle, participants expressed agency—small but significant desires for change. They spoke of wanting savings, stable income, and more accessible formal alternatives. This reflects what Sen (1999) calls capability, or the aspirational power individuals possess even in constrained circumstances.

Participants articulated practical wishes such as:

- Government microfinance programs,
- Manageable interest rates,
- Skills training,
- And financial literacy.

These hopes reflect a collective desire not simply for debt relief but for dignity, stability, and economic participation.

This theme reaffirms that borrowers are not passive victims—they are **active** negotiators within difficult financial landscapes. Their endurance reflects a uniquely Filipino cultural trait: *pagpakabana*, or persistent resilience and care for one’s family despite hardship.

### Cultural Dynamics of Informal Borrowing

The Cebuano context adds a cultural layer to loan shark dynamics. Borrowing is shaped by values such as:

- *Diskarte* (creativity in surviving challenges),
- *Pag-antos* (endurance),
- *Pagsalig* (trust or reliance),
- *Pakikipagkapwa* (relational support), and
- *Hiya* (shame).

These values influence how borrowers interpret debt, negotiate their obligations, and cope with emotional distress.

For instance:

- ***Hiya*** surfaces in the embarrassment of facing collectors in public.
- ***Diskarte*** emerges in strategies for making daily payments.
- ***Pag-antos*** is embodied in their acceptance of exploitative interest.

Understanding loan shark dependency, therefore, requires a cultural lens. It is not merely economic behavior—it is social navigation, deeply rooted in Filipino relational norms and survival culture.

Theoretical Contribution: Debt, Agency, and Informal Economies

This study adds to scholarship on informal finance by offering a phenomenological view of debt. Instead of framing borrowers as irresponsible or irrational—as some economic theories imply—the findings reveal emotionally grounded, culturally informed, and structurally constrained decision-making.

The study supports three theoretical insights:

- **Debt as a lived emotional reality**, not just a financial transaction.
- **Informal lending as a relational and cultural phenomenon**, embedded in trust, shame, and survival.
- **Borrowers as agents navigating limited choices**, rather than passive victims.

These contributions expand the discourse on loan sharks by highlighting **the humanity of borrowers**, the emotional texture of their experiences, and the cultural logic behind their financial decisions.

### Implications for Practice and Policy

The findings signal the need for:

- Community-based microfinance with humane interest rates
- Mobile and documentation-light lending programs (to match the convenience of loan sharks)
- Financial literacy tailored to nano-entrepreneurs' realities
- Emergency safety nets and small grants
- Skill-building programs to reduce financial vulnerability

Policy responses must address not only the economics of lending but the cultural, emotional, and relational dimensions of debt.

## CONCLUSION

This phenomenological inquiry reveals the deeply human and often painful realities behind nano-entrepreneurs' dependence on loan sharks in Cebu City. Far from being irresponsible or careless with money, the borrowers in this study act out of necessity, navigating a livelihood marked by instability, low income, and the absence of accessible formal credit. Their stories illuminate a financial environment where survival precedes strategy, and where the urgency of daily needs outweighs concerns about interest rates or long-term consequences. Loan shark borrowing, therefore, is not a choice made lightly—it is a response shaped by poverty, structural exclusion, and cultural expectations of resilience.

The findings demonstrate that loan shark dependency is a cycle of entrapment—a revolving door of borrowing, repaying, and borrowing again—that weakens the capacity of nano-entrepreneurs to accumulate savings, grow their businesses, or escape financial precarity. This cycle is compounded by the emotional burden participants carry: anxiety over daily repayments, shame from collectors' visits, and a quiet resignation to a system that affords them few alternatives. Yet beneath this weight lies a powerful thread of hope. Participants expressed a desire for change—better financial opportunities, more humane lending practices, skills training, and support that aligns with their cultural and economic realities.

Ultimately, this study foregrounds an essential truth: nano-entrepreneurs are resilient survivors navigating an unequal financial landscape, doing their best with what little they have. Their reliance on informal lenders underscores not personal failure but systemic gaps—gaps in financial inclusion, social safety nets, and accessible microfinance. Addressing these structural barriers requires more than policy adjustments; it demands interventions that honor the human experiences behind debt, recognize cultural patterns of survival, and provide pathways toward dignity and stability.

In giving voice to the lived experiences of Cebuano nano-entrepreneurs, this study contributes to a deeper cultural and social understanding of informal lending in the Philippines. It calls for financial systems that not only reach the marginalized but understand them—systems that acknowledge their struggles, respect their agency, and support their aspirations for a life beyond debt.

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