

# Do Student Loans in Cambodian Education Matter? A Perspective from Loan Officers

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## Abstract

The microfinance sector in Cambodia has grown rapidly, expanding access to finance for micro-entrepreneurs and low-income households. In the 1990s, it was primarily managed by international non-governmental organizations and significantly contributed to the country's economic growth, particularly in the education sector. Student loans, furthermore, provided by banks were identified as an important program to help low-income students access higher education. Student loans are especially important for socioeconomically disadvantaged backgrounds, offering opportunities for higher education. However, student loans are rarely discussed in academic literature, specifically their benefits. This study aims to explore the benefits of student loans in Cambodia. To attain the objective, the study utilized a qualitative approach employing a purposive sample. One-on-one interviews were conducted with three experienced officers from the student loan program. The data were analyzed using thematic coding, drawing from both the literature review and emerging patterns. The results identified four main advantages: (1) Access to higher education; (2) Gain financial responsibility; (3) Invest in human capital, and (4) Reduced family financial pressure. Overall, the study required comprehensive support from the banking sector and higher education institutions in providing more accessible information to students from low-income families. The relevant stakeholders can continue to enhance educational equity for all students, ensuring they have equal opportunities to excel academically and contribute to the human capital development goal, which is essential for supporting Cambodia's vision by 2030 and 2050.

**Keywords:** *Economic disadvantage household, Financial responsibility, Higher education, Human capital, Student loans*

## INTRODUCTION

Higher education institutions (HIEs) are pivotal in developing human capital to address economic and social demands. Then, the term internationalization of higher education is a strategic initiative to enhance competitiveness and adapt to global trends (Altbach & Knight, 2007). They incorporate international dimensions, and countries are increasingly tailoring them to their local contexts, resulting in diverse models (Jones & de Wit, 2021). For example, Arnold and King (1997) asserted that the fundamental objective of higher education is to foster lifelong learning and active citizenship among students. Likewise, Clifton (2011) further asserted that these institutions are crucial for economic strengthening. In addition, Lane (2012) identified HEIs as a driving force behind economic growth. Particularly, the World Bank (2023) emphasizes the socio-economic benefits of higher education as a training ground for acquiring knowledge and skills that lead to higher salaries and improved futures. Furthermore, Zimpher (2012) stated that higher education institutions as anchors, job sources, and business centers are essential for meeting the knowledge economy's needs.

The Ministry of Education, Youth and Sport (MoEYS) underscored the higher education sub-sector's role in fostering active capital wisdom, contributing to national economic and social development (MoEYS, 2014). Since the privatization of higher education in Cambodia 27 years ago, the number of institutions has surged from 8 in 1997 to 189 in the 2022-2023 academic year. The Royal Government of Cambodia, through the Ministry of Education, Youth and Sport, has developed

strategic plans, policies, and legal frameworks to ensure quality education and adapt to the Fourth Industrial Revolution (Moeurn, 2025a; Un & Sok, 2018). In Cambodia, higher education enrollment rates have risen significantly to 318,919 in the academic year 2024-2025 (MoEYS, 2026).

Numerous studies have emphasized student life at the university in Cambodia. As a result, higher education students face challenges due to changing circumstances and societal shifts, particularly those from economically disadvantaged families, with disabilities, or other factors (Moeurn, 2025a). Similarly, Audin and Davy (2003) found that higher enrollment rates, combined with personal conditions, lead to educational, social support, and financial challenges. Also, Katrevich and Aruguete (2017) noted that students without guardians pursuing bachelor's degrees receive lower grades and exhibit lower cognitive levels compared to those with educated guardians. Mackie (1998) identified homesickness as a significant dropout factor. In addition, McGivney (1996) found that the primary reasons for improper major selection are environmental adaptation difficulties, personal circumstances, determination, and financial issues.

The previous studies in Cambodia found that financial constraint is the major concern for students from economically marginalized families to continue higher education. For instance, the Cambodia Development Research Institute (2024) revealed that students from low-income backgrounds are likely to drop out. In addition, Moeurn (2025b) also found that some university students decided to work while they are studying at university to earn more to pay for their academic journey. Particularly, at the higher education level, students are required to spend more money than in secondary education. The expanse covers study fee, accommodation, food, study material, and so forth (Moeurn, 2025b). In response to the need, the banking sector started to offer a student loan program to help students who face limited financial support.

Student loan programs in developing countries are often designed and administered by commercial banks rather than governments (Chapman & Doan, 2021). In Cambodia, ACLEDA Bank remains the dominant provider of private student loans, disbursing over 15,000 loans since 2012 and managing a portfolio exceeding USD 50 million by 2024 (ACLEDA Bank, 2024). Loan officers, furthermore, serve as the critical interface between the bank and borrowers, responsible for credit assessment, client counseling, disbursement, monitoring, and recovery. Their perceptions of program benefits, risks, and operational challenges directly influence lending policies and portfolio quality (Johnstone, 2016).

In the banking sector in Cambodia, there are many research studies that focus on the current trend of digitalization, customer satisfaction, strategic management, and financial management (Heng & Bunthorn, 2023; World Bank, 2023). However, there is still a lack of empirical data on frontline loan officers' perspectives regarding the student loans phenomenon, especially focusing on the advantages of student loans in the Cambodian context. The recognized deficiency in the existing knowledge and academic literature, therefore, motivates the current study. This qualitative study aims to identify the benefits of student loans and contribute to the knowledge gap. A key research question is proposed to guide the study. *What are the benefits of student loans in Cambodia?*

### **Definition of Key Terms**

Student loans are financial instruments designed to assist eligible students in pursuing higher education by offering crucial funding to cover tuition and other educational expenses. These loans are generally available to students, their parents, or guardians to finance tuition, study materials, or living expenses during their academic tenure. In Cambodia, the absence of a comprehensive national student loan system is compensated by the provision of loans from banks and microfinance institutions, aimed at fostering human resource development (Ngoy et al., 2019). These loans are typically repaid upon graduation and are characterized by fixed interest rates.

Within the Cambodian context, student loans can be categorized into two primary types: loans from state institutions or organizations, and loans with low or no interest rates intended to support economically disadvantaged students. Additionally, loans from private financial institutions, such as banks or microfinance entities, are available but necessitate clear repayment terms (Dynarski, 2003).

### **Background of the Banking Sector in Cambodia**

Microfinance in Cambodia has undergone a significant transformation since the 1990s, evolving from a tool for post-conflict reconstruction and rural development to a formalized sector. Microfinance, initially driven by NGOs and international donors, sought to provide financial services to low-income individuals and small-scale entrepreneurs who lacked access to formal finance (Allén 2009; Chhay 2011). The 1990s saw the establishment of regulatory bodies like the Credit Committee for Rural Development and supervisory functions under the NBC, laying the groundwork for institutionalization and oversight. A local non-governmental organization launched a loan program in 1991 (Gentil, 1991), and GRET, a well-known French non-governmental organization, started collaborating closely with the Ministry of Agriculture in several provinces, including Kandal, Kampong Speu, and Prey Veng, resulting in 44,000 Cambodian families accessing microfinance services (National Institute of Planning, 1994).

By the early 2000s, the sector had commercialized, with NGOs becoming licensed MFIs, allowing them to diversify services and expand outreach. The National Bank of Cambodia initiated a banking-restructuring initiative to improve the banking system. This initiative required existing banks to increase their capital base and comply with relevant laws and regulations. Consequently, in November 2000, nineteen banks were permitted to remain operational, while twelve others were deregulated and subjected to liquidation processes (Chhun, 2005). Through these measures, the Government seeks to raise all current banks to a superior level, thus improving the stability and trustworthiness of the banking system, essential for fostering confidence.

Furthermore, by the end of 2023, the sector included four licensed deposit-taking MFIs, 83 non-deposit-taking MFIs, and 114 rural credit operators, providing over USD 5 billion in credit (NBC 2023). These services reached a broad clientele, especially smallholder farmers, rural entrepreneurs, and women, enhancing financial inclusion and improving livelihoods. The microfinance sector in Cambodia is predominantly operated by international non-governmental organizations (Ron, 2017). The loan initiative also commenced in the 1990s. Consequently, this loan program is vital for improving the efficiency of various initiatives, especially the women's center program (Asia Development Bank, 2014).

In addition, the bank owners offer more services to their customers to earn more interest and to help Cambodian people access certain services. The Royal Government of Cambodia also issues many regulations to encourage the bank owner to support the Cambodian lifestyle. Particularly, among major services, business loans, and housing loans, the most important and interesting service for the disadvantaged family is offering student loans in the Kingdom. These vital services play a key role in creating more chances for poor students to get higher education.

### **The Background of Student Loans**

Historically, students worldwide have relied on family support or low-level loans to finance higher education, as providing unsecured student loans has been considered risky. However, over the past decades, many developed and developing countries have introduced student loan programs based on the concept of education as a human capital investment that drives economic growth. Starting in the 1950s and expanding rapidly during the 1960s and 1970s, student loaning projects spread across Europe, the Americas, Latin America, and Asia-Pacific, arguing that high-capacity loans for students from low-income environments can be extended, while allowing the public to support higher-income students (Woodhall, 1983).

Despite their expansion, student loans have created sustainability in equity, efficiency, and availability. Critics argue that loans can discourage students facing difficulties, create high administrative costs, and lead to repayment and brain problems, especially in developing countries, while advocates view loans as fairer than grants due to higher education recipients earning higher incomes and having to share costs. Since the 1970s, rising education and tax expenditures have shifted attention to institutional repayments as a mechanism of institutional recovery, supported by the World Bank (Woodhall, 1983).

In Cambodia, academic loans do not have a long history like those in the West. Before 1997, higher education was fully subsidized by the state, providing about 2,000 scholarships per year to high school students. After 1997, a tuition fee program was introduced, shifting costs to students and

families, with the state providing only 15% of total costs. National study loans are not yet available, with only private loans from banks or microfinance organizations, with high interest rates of 1.2% per month, and require parental guarantees. In 2010 and 2017, the World Bank's HEQCIP project drafted a policy on scholarships, subsidies, and study loans, but it has not yet been implemented. Currently, the Ministry of Education plans to establish a public study loan program by 2030 to increase higher enrollment, as higher tuition fees rise from \$300 to \$400 up to \$500 per year in public and private schools, and 80% from public institutions. Research shows that 42% of students see study loans as useful for solving financial constraints, but are concerned about interest and repayment (Ngoy et al., 2019).

### ***Benefits of Student Loans***

#### ***Access to higher education***

Numerous studies have demonstrated that access to higher education is the primary benefit. The Student Loan promotes fair access to higher education in Sierra Leone by enhancing opportunities for students from low-income families and rural or marginalized communities throughout the nation, who might not otherwise find it difficult to obtain such access because of high expenses, inadequate infrastructure, and restricted details. Higher education is an important way to improve livelihoods and economic development, but for students from poor families, financial constraints are a major obstacle that hinders entry. Moreover, Woodhall (1983) found that in developing countries like Cambodia, study loans are seen as a tool that can help solve this problem by providing opportunities for poor students to get higher education without immediate resources. Similarly, Melguizo et al. (2016) discovered that the student loan program specifically designed for low-income students significantly enhances the enrollment rate in higher education institutions. According to Solís (2017), the availability of government student loans in Chile increased college enrollment by 16 percentage points for low-income students who barely qualified based on test scores, significantly reducing the income-related disparity in higher education participation.

Moreover, Gurgand et al. (2023) also found that student loans significantly increase university enrollment by over 40 percentage points in certain cases for applicants in South Africa who face credit constraints. This effectively tackles liquidity barriers that disproportionately impact disadvantaged students pursuing higher education. Recently, Sululu et al. (2025) found that government student loans helped many needy students enroll in and graduate from higher education, showing that student loans can increase access to higher education for those who otherwise could not afford it. In short, student loans allow qualified students who lack funding to pursue their university or technical skills they desire. Without these loans, many students may drop out of secondary school, causing a loss of self-development opportunities. Likewise, Chu and Cuffe (2024) also found that student loan access has significant effects on educational attainment and labor market returns.

#### ***Gain financial responsibility***

In addition to the accessibility of education, student loads also significantly contribute to the financial literacy of students. Study loans enhance student financial discipline by enabling student awareness and accountability for expenditure management, financial planning, and post-graduation debt repayment obligations. Accepting loans thoroughly considers financial resource use, improves saving behavior, and prioritizes expenses (Chapman, 2006). Researchers stated that academic loans can enhance students' personal accountability and financial discipline because they perceive investment in education as reimbursed through future revenues. Furthermore, Stoddard and Urban (2018) showed that student loans led disadvantaged students to adopt prudent borrowing behaviors, favoring subsidized federal loans over private loans and credit cards. Likewise, Mangrum (2022) also found that student loans promote financial responsibility for poor students.

Furthermore, Zhang and Fan (2022) emphasized that enhanced financial capability and education are correlated with improved student loan outcomes, such as reduced delinquency and financial stress. This finding is particularly pertinent in supporting responsible debt management among students from lower-income households, who frequently depend on loans for higher education. In addition, for modern financial management, regular borrowing and repayment of student loans help students build a good credit score. This good credit history will make it easier for them to borrow

money to buy a house or car after work. Likewise, Yankovich et al. (2023) also found that student loans and related money-management skills influence how undergraduate students manage their finances, including budgeting and perceived financial responsibility. The study highlights the importance of financial management skills in helping students understand loan responsibilities and make informed financial decisions.

### ***Invest in human capital***

Moreover, study loans play a vital role in raising human capital, eliminating financial barriers that bar students from accessing high-level education and specialized skills training. When individuals have access to education, they develop technical knowledge and analytical ability, which are key factors in raising productivity, labor, and innovation in the national economy. Through self-investment through loans, students not only increase their chances of earning higher incomes for their own futures, but also actively contribute to building a highly skilled workforce to meet demands in the global labor market. The previous studies show that the level of knowledge and skills gained through higher education is higher, which can reduce costs, boost economic growth, and international social development (Becker, 1993).

In addition, Lochner and Monge-Naranjo (2011) found that student loans facilitate investment in human capital for economically disadvantaged students, as illustrated in the notable peer-reviewed study. The study reveals that these loans mitigate credit limitations, thereby promoting increased educational investment, particularly when family income plays a more significant role in determining college attendance for underprivileged students. Furthermore, Marx and Turner (2018) emphasized the role of student loans in promoting human capital investment among students from low-income and disadvantaged backgrounds. Similarly, Frank et al. (2024) assert that education is regarded as an investment in human capital. Education loans, particularly student loans, make higher education more accessible by alleviating financial constraints and making it financially feasible. This, in turn, supports human capital development.

### ***Reduce family financial pressures***

Recent studies have highlighted the significant role of student loans in reducing financial burdens on families. These loans serve as crucial financial instruments for alleviating immediate economic pressures, particularly for low- and middle-income families unable to afford substantial tuition fees simultaneously. Likewise, Woodhall (1992) reviewed student loan schemes across developing countries and concluded that such loans promote equality of opportunity by enabling poor students to finance their own higher education and repay later from increased earnings, rather than imposing immediate costs on low-income families. Rather than selling assets or depleting savings for immediate household expenses, student loans allow parents or guardians to better manage monthly cash flows and maintain financial stability for other essentials such as food and health (Dynarski & Scott-Clayton, 2013).

Furthermore, Wang et al. (2013) found that student loans assist underprivileged students in reducing family financial burdens by offering deferred, low-interest loans. This is particularly beneficial for low-income families, especially in rural or developing regions, as it allows them to avoid paying substantial upfront tuition fees, which can exceed several years of household earnings. Additionally, it prevents families from using savings for emergencies or selling core assets such as land or houses to pay school fees, thereby ensuring smooth family cash flow. In addition, numerous studies indicate that student loans play a pivotal role in alleviating familial financial burdens by enabling students to pursue higher education when family resources alone are insufficient. Hales (2021) demonstrated that student loans facilitate the financing of college expenses that might otherwise require full payment by parents or family members, thereby mitigating immediate financial strain on households and establishing pathways for educational attainment that families could not otherwise afford. Additionally, Zhang (2023) analyzed undergraduate borrowing patterns in China and noted that student loans alleviate the financial burden on low-income families, particularly when family contributions are limited, thereby enabling enrollment that would otherwise be unaffordable.

### Conceptual framework

Within the framework of numerous studies, study loans are considered an effective policy tool that provides multidimensional advantages to individuals and society as a whole. This primary loan opens up educational opportunities for students of all walks of life by eliminating financial barriers and promoting equity in the education system. In addition to access to education, it is also a mechanism to increase financial accountability for young people through budget management and repayment planning, which is an important financial discipline for life. In addition, the study loan is a shift from spending to investment in human capital development, which helps increase skills and productivity for the national workforce. Finally, this mechanism has served as a backdrop in reducing family budget pressures by allowing parents to allocate cash flow more effectively and maintain economic stability in the family, while children can still receive quality education.

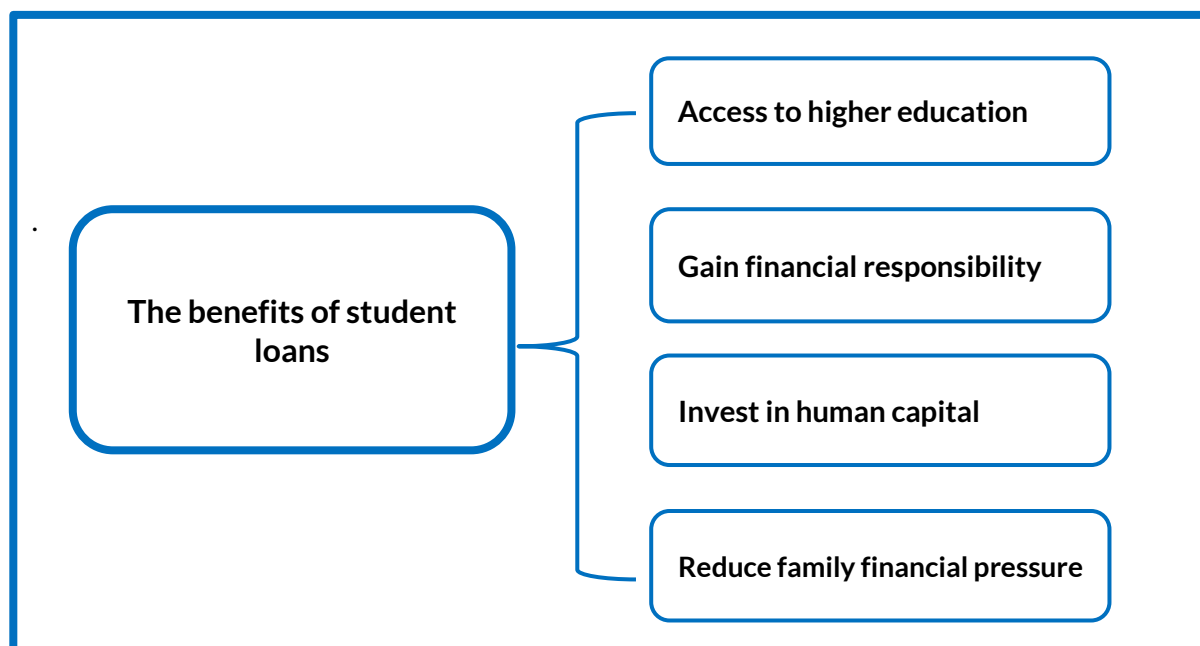


Figure 1: The Benefits of Student Loans (Source: Authors' synthesis of relevant literature)

## METHODOLOGY

### Research design

This research used a qualitative method to investigate the difficulties encountered by students in Cambodian higher education institutions. Qualitative inquiry is well-suited for capturing the depth and complexity of human experiences, enabling researchers to obtain detailed, context-specific insights from participants. For example, [Creswell \(2014\)](#) stated that the qualification method is very important in exploring complex issues and helping researchers obtain contextual data to interpret natural social phenomena.

### Research sampling and instrument

For the selection of study locations, this research focused on ACLEDA Bank Plc., a well-known and leading banking institution in Cambodia, as well as having extensive experience in providing academic loans. Years ago. For the recruitment of three sample providers, the management and professional officers were selected according to the Purposive Sampling objectives. The selection of research participants was informed by critical criteria, including professional roles and types of experience. This purposeful selection aims to guarantee that the informants possess comprehensive knowledge, have direct professional experience with study loan clients, and are capable of providing high-quality data for analysis. The three key informants joined in one-to-one interviews. The interview participants were designated as K1, K2, and K3.

The main research tool used in this study is the semi-structured interview, which is meticulously designed to ensure a balance between predetermined query structures and flexibility in searching for new information. This tool is designed by dividing questions in sequence, ranging from general questions to in-depth probing questions, which focus on the technical aspects and practical experience of ACLEDA Bank officials related to the advantages of learning loans on human capital development and family economic stability. [Cohen et al. \(2007\)](#) showed that using a qualitative method facilitates open-ended discussions within a flexible structure, allowing researchers to investigate new themes and modify questions as needed during the process. According to [Kallio et al. \(2016\)](#), organizing research tools in this form is crucial to extracting contextual and rich data that is not possible with closed-source questions. The use of cross-review and precision scale-based guidance not only helps researchers maintain study goals but also enhances the trustworthiness and validity of the overall research results.

### ***Data collection and analysis***

The study was conducted step-by-step to ensure the accuracy and validity of the information received. The researchers first submitted a formal cooperation request to ACLEDA Bank's management to request permission for the interview and set an appropriate time for the meeting. At the start of the interview, the researchers provided guidance and explained the study purpose, as well as requested permission to use the recorder to avoid gaps in the main content that the information provider mentioned. During the interview, the researchers used a pre-arranged Interview Guide, combined with the recording of key points of the post-interview, and the voice data was converted to transcription immediately to save the basis for continuous analysis. This systematic procedure helps reduce bias and increase the reliability of research results ([Creswell & Poth, 2018](#)).

For the analysis of the data obtained, the researchers decided to use Thematic Analysis. This process includes converting the data from the interview into text, coding, and compiling the key topics that reflect the advantages of the study loan. According to [Braun and Clarke \(2006\)](#), subject analysis is an effective method to define, summarize, and present sample data patterns to make the interpretation of research results more precise and scientific.

### ***Ethical consideration***

Maintaining research ethics is an important aspect that ensures the accuracy, transparency, and scientific value of the entire research work. In the study process with ACLEDA Bank, researchers firmly adhere to the fundamental principles of the code of ethics to protect the rights and well-being of all informants. Initially, the Informed Consent principle is strictly enforced, with each provider receiving a clear explanation of the purpose of the study, the procedures of the interview, and the right to refuse or withdraw from the interview at all stages unconditionally.

In addition, confidentiality and anonymity are the highest priority, with all personal identities and sensitive information of bank officials being kept as secret as possible, using an ID instead of the real name in the report. Moreover, researchers adhere to the principles of integrity and honesty in compiling and interpreting the data, avoiding fraud or the processing of information to serve any interests. All the feedback from the information provider is respected and maintained completely to ensure that it reflects the reality of the benefits of the study.

## **RESULT AND DISCUSSION**

### ***Access to higher education***

The finding showed that student loans significantly contribute to access to higher education. For low-income earners, student loans can alleviate the financial burden of higher education, enabling disadvantaged students who are unable to continue their studies to pursue their education until graduation. For instance, if students are unable to study adequately, they may drop out of school. However, obtaining a loan allows them to continue their studies until completion and secure a well-paying job. Students can directly apply for loans at ACLEDA Bank Plc.'s office or through the ACLEDA App. Additionally, they can contact the credit agent responsible for their loans directly.

Many participants, furthermore, have pointed out that this essential program allows students to have the opportunity to complete their education by making installment payments to the bank based on their family's income. This approach ensures that students acquire sufficient knowledge, skills, and abilities to secure a suitable job. Families can send their children to study until completion without significantly impacting their daily lives.

*If students do not have sufficient means to study, they will drop out of school. If they take a loan, they will have the opportunity to continue their studies. (K1)*

*Students can pay for their education in installments, gaining knowledge and skills for employment, while families can afford to send their children to school. (K3)*

Student loans from ACLEDA Bank Plc. help low-income students afford higher education, enabling them to complete their studies and secure well-paying jobs. The role of student loans in providing students access to higher education has been emphasized in many research papers (Chu & Cuffe, 2024; Woodhall, 1983), which found that student loans are perceived as a means to alleviate this issue. They provide underprivileged students with the opportunity to pursue higher education without immediate financial constraints. Furthermore, it has been observed that access to student loans has a substantial impact on educational attainment and labor market returns.

### **Gain financial responsibility**

Additionally, participants emphasized the importance of financial responsibility for students, particularly in relation to the student program platform. To effectively manage financial responsibilities, individuals should focus on several key areas. First, they need to be skilled at managing cash flow to ensure timely loan repayments, which are essential for maintaining financial stability. Saving money is just as important since it provides a safety net for unexpected expenses. Securing a high-paying job can greatly improve one's ability to meet financial obligations and reach long-term goals. Responsible credit management is crucial for building a solid borrowing history, which is vital for future financial reputation and opportunities. Setting clear goals and creating a comprehensive work plan for future directions are essential to staying focused and achieving desired results.

Additionally, individuals should avoid using their family's school fees to prevent the family budget from being diverted, allowing it to be allocated for other needs. It is also wise to minimize interest payments to reduce financial strain. By addressing work-related issues, individuals can help lessen the financial burden on their families, ensuring that the tuition fees are not affected. Ultimately, these practices aim to reduce stress caused by financial challenges and help individuals, like the Nessit (student), move forward more smoothly.

*Student loans also help students manage cash to repay loans regularly and save money. It is also a lesson that allows them to learn and practice their responsibility in finance. (K1)*

Financial management encompasses several key components, including managing cash flow, saving money, securing a well-paying job, handling credit responsibly, and setting financial goals. Additionally, avoiding the use of family funds for tuition and minimizing interest payments are crucial strategies. These practices are similar to the findings (Chapman, 2006; Yankovich et al., 2023), which indicated that student loans promote financial discipline by enhancing awareness of expenditure management, financial planning, and debt repayment.

### **Invest in human capital**

Additional findings indicated that the significant program contributes to the government's objective of developing human capital. This program is dedicated to cultivating and nurturing high-quality, skilled, and ethical human resources who will play a pivotal role in driving sustainable social development. By enhancing household income, we aim to empower families to effectively meet and support their daily needs. Additionally, we prioritize fostering a deep understanding and strengthening

self-leadership, alongside active community participation, to cultivate responsible and knowledgeable individuals. Our commitment extends to providing students with comprehensive learning experiences and offering vital assistance or solutions for tuition fees, ensuring they can pursue their education seamlessly and successfully.

*Student loans play an important role in helping to develop quality human resources to support sustainable social development. (K2)*

The program aims to cultivate skilled, ethical human resources to drive sustainable social development by enhancing household income, fostering self-leadership, and supporting education. The results have been emphasized by many studies (Frank et al., 2024; Moeurn, 2025a) who found that education loans enable access to higher education, supporting human capital development by mitigating financial constraints.

### **Reduce family financial pressures**

The participants also emphasized the advantage of student loans in alleviating financial strain on families. Providing student loans is a crucial measure in mitigating the financial burden on parents and families by enabling students to fully cover their tuition fees during their academic pursuits. Typically, student loans facilitate partial interest payments or defer capital repayment until graduation, thereby facilitating employment opportunities. Upon graduation, students can establish stable incomes that can be effectively utilized for loan repayments.

Additionally, student loans are facilitated through communities, financial institutions, and banks, with tailored conditions and interest rates designed to accommodate students' unique circumstances. Notably, the Ministry of Education and relevant institutions assume a pivotal role in supporting underprivileged students through policies and study credit programs, ensuring equitable and sustainable access to higher education.

*Students can reduce the cost of tuition for parents without paying tuition fees themselves, because the loan allows the student to repay only a portion of the interest by waiting for graduation, enabling them to find employment upon graduation, and to repay the loan. (K3)*

Student loans alleviate financial burdens on families by covering tuition fees and facilitating employment opportunities. The Ministry of Education and relevant institutions support students from economically disadvantaged households through policies and study credit programs. The result is related to (Dynarski & Scott-Clayton, 2013; Hales, 2021), who found that student loans help families afford college expenses, reducing financial strain and enabling educational attainment.

In closing, student loans from ACLEDA Bank Plc. enable low-income students to afford higher education, complete their studies, and secure well-paying jobs. These loans help students manage cash flow, save money, and learn financial responsibility. The program aims to develop skilled, ethical human resources by enhancing household income, fostering self-leadership, and supporting education.

**Table 1: The benefits of student loans in Cambodia**

<b>Role of student loans</b>	<b>Key benefits</b>
Access to higher education	Promote fair access to higher education for low-income and marginalized students.
Gain financial responsibility	Endorse financial discipline, credit building, and influence money management skills.
Investment in human capital	Enhance human capital and contributing to economic growth and social development.
Reduce family financial pressures	Assist families in affording college expenses.

## CONCLUSION

Student loans provided by ACLEDA Bank Plc. play a crucial role in promoting access to higher education for low-income students in Cambodia. These loans enable disadvantaged students to enroll, continue, and complete their studies without placing immediate financial pressure on their families. Beyond reducing the risk of school dropout, student loans foster financial responsibility by teaching students to manage cash flow, save money, and plan for debt repayment.

Moreover, the program contributes to human capital development by supporting the creation of skilled, ethical, and self-reliant graduates who can participate in sustainable social and economic progress. Additionally, student loans alleviate family financial burdens by covering tuition fees and allowing repayment only after graduation, thus providing a pathway for upward mobility and improved household income.

The study provides several recommendations to relevant stakeholders. First, the most important authority is the Ministry of Education, Youth, and Sports. The result suggests collaborating with banks to establish national student loan schemes backed by government guarantees. Additionally, the ministry is proposed to provide subsidies or partial interest support for students from the most impoverished households and to develop policies and guidelines to ensure equitable loan distribution and prevent financial exclusion. Second, the next important body is the financial institutions. They are encouraged to expand access to student loan programs across provinces to reach more underprivileged students, offer flexible repayment options and reduced interest rates to accommodate students' varying financial capacities, and incorporate financial literacy training for all student borrowers to strengthen their debt management and savings habits.

Third, the attention from the families and students is urged to encourage students to perceive loans as an investment in education and future income rather than a financial burden, and to participate in financial management programs to enhance awareness of repayment obligations and savings plans. Last but not least, researchers and policymakers are advised to conduct longitudinal studies to assess the long-term impact of student loans on employment outcomes and social mobility in Cambodia. These studies should also examine the effectiveness of different loan structures, such as varying interest rates and repayment schedules, in alleviating poverty. Additionally, researchers should explore the role of student loans in supporting the country's human capital development and sustainable growth.

The implementation of these recommendations holds immense potential for key stakeholders to significantly enhance the effectiveness of student loan programs in Cambodia. By addressing the identified areas for improvement, these stakeholders can facilitate better educational access for disadvantaged students, thereby contributing to the nation's socio-economic development. This strategic approach not only supports individual academic pursuits but also fosters a more equitable and prosperous society.

In conclusion, the study has several limitations. It uses a qualitative approach, concentrating on a specific student loan officer from a well-known bank in Cambodia. The Banking officers and research locations are in Phnom Penh, which might not reflect across Cambodia. The study only includes extensive officers who meet certain criteria, which may limit the generalizability of the results. Additionally, it does not involve many relevant stakeholders, who could offer important insights. Given these limitations, future research is advised to use quantitative or mixed-method designs with larger and more diverse samples. The study's findings can serve as a basis for creating a survey instrument to further explore the factors influencing student success in Cambodian higher education institutions. Such research is crucial, as its results can significantly impact policy and guide the development and implementation of targeted interventions to help Cambodian students from low-income families to achieve both academic and employment goals.

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