



Technical Assistance Consultant's Report

Project Number: 35412
November 2005

People's Republic of China: Financial Demand Study of Farm Households in Tongren/Guizhou of PRC—Survey in Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang

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For the Asian Development Bank

This report used the survey supported under the Technical Assistance for Rural Financial Reforms TA PRC 4430. The project is administered by Mr. Ying Qian, Principal Financial Economist, Asian Development Bank. The report was produced by Professor Dr. HE Guangwen and Dr. Li Lili. Mr. He is Director of Center for Rural Finance & Investment Research (CRFIR), China Agricultural University (CAU). Dr. Li Lili is lecture of the Finance & Economics University Henan/PRC and senior research fellow in CRFIR/CAU. The works has got the helpful support from the team leader Robert Hickson, Microfinance Services. The investigation and research received the energetic support of Mr. Hu Jiaji, Vice-director of PBoC Guiyang and Division head Dr. Sun Yong; Mr. Tian Xiangfu, Director of PBoC Tongren and Vice Director Ma Xinkang and Division head Mr. Zhang Zhongxue and Senior Officer Mr. Lusheng Jiang. The directors of Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang PBoC and County RCCU have also given supported for the field survey. The colleagues from CRFIR, Dr. Zhangqun, Dr. Wu Cuiyang and Ms. Ren Wenjuan, Mr. Wu Zhi, Wang Yeguan and Li Zhenguo have participated in the survey and research. Here express heartfelt appreciation to them.

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CONTENTS

Abstract.....	6
I. Introduction	7
II. Illustration of Surveyed Regions and Sample Selection	7
(I) The Location of Surveyed Region	7
(II) Selection Method of Surveyed Sample.....	8
III. Credit for Farm Households of RCC in Sample Region.....	9
(I) Basic Condition of Business Development of RCC in Sample Counties	9
(II) Microfinance for FHs of RCC.....	12
III. Basic Conditions of Sample Farm Households.....	19
(I) Basic Characteristics of sample Farm Households	19
(II) Economic Activities Information on Sample Farm Households	20
V. Financial Demand Analysis of Farm Households	24
(I) Saving motive and capability of Farm Households.....	24
(II) Source of Production Funds of Farm Households and Choice of Credit Channels	26
(III) Credit Demand of Farm Households and its Situation of Satisfaction	27
(IV) Farm Household Knowledge of RCC Microfinance.....	29
(V) Informal Credit Exists in Greater Degree	33
(VI) Borrowing Behavior of Farm Households since 2002	34
(VII) Practical Credit Demand of FHs and Their Tendency	38
(VIII) Funds Demand in the Future.....	40
(IX) Credits among Farm Households.....	41
(X) Insurance of Farm Households	41
VI. Findings and Conclusions	42
References:.....	43

Tables & Figures

Table 1: The distribution of surveyed sample.....	8
Table 2: Business development of RCC in sample counties at the end of September, 2005	9
Table 3: Business development of RCC in sample townships at the end of September, 2005	11
Table 4: Credit rating for FHs of Wanshan and Songtao RCC	12
Table 5: Credit size for FHs of RCC	12
Table 6: Differential interest rate on loan of RCC %	13
Table 7: Loan size and coverage of FHs in 44 sample village of RCC (the end of September, 2005).....	14
Table 8: Credit authority (x) of township RCC	17
Table 9: Usage structure of loans for FHs in 44 sample village of Rcc at the end of September, 2005 %	17
Table 10: Age structure distribution of family head of sample FHs	19
Table 11: The characteristics of family scale of sample FHs(%)	19
Table 12: The educational distribution of sample FHs(%)	20
Table 13: Industries that main labourers of sample FHs are engaged in (%).....	20
Table 14: Family income sources of sample FHs	21
Table 15: Distribution of family income sources of sample FHs(%).....	21
Table 16: Appraisal of family wealth and income by sample FHs themselves	22
Table 17: Appraisal of family wealth and income by sample FHs themselves in each county (%)	22
Table 18: House property and durable consumer goods owned by sample FHs	22
Table 19: Family cash income and expenditure of sample FHs in 2004	23
Table 20: Comparison of income and expenditure of sample FHs in 2004 (%).....	23
Table 21: Structure of cash expenditure of sample FHs	24
Table 22: Selection of saving will of FHs (%)	24
Table 23: Establishment of financial institutions in 18 sample townships	25
Table 24: Selection of saving product of sample FHs (%)	25
Table 25: Saving motive of sample FHs (%)	25
Table 26: Saving deposit outstanding of sample FHs at the end of 2004 (%).....	26
Table 27: Source intention of start-up funds of production and operation activities of sample FHs (%).....	26
Table 28: Borrowing channels of sample FHs (%)	27
Table 29: Credit demand of sample FHs	27
Table 30: The reason FHs select the alternative of need no loans	28
Table 31: Conditions that sample FHs got loans from banks or RCCs	28
Table 32: Conditions that sample FHs in each county got loans from banks or RCCs (%)	28
Table 33: Pay shares of RCC of sample FHs (%)	29
Table 34: Correlation between paying shares and getting loans (Households).....	29
Table 35: Know local RCC developed microfinance or not (%).....	30
Table 36: RCC made credit rating for your family and gave credit size or not? % ...	30
Table 37: Credit size distribution of 254 sample FHs given credit size (%).....	30
Table 38: Can the credit size FHs got meet their need? (%).....	31
Table 39: Distribution of credit size sample FHs expected (%)	31
Table 40: Judgment of FHs on decisive factors of obtaining loans (%).....	32
Table 41: Interest rate distribution of informal credit from FHs	33

Table 42: Situation of usurious loan sample FHs had ever borrowed (%).....	34
Table 43: Borrowing behaviour of FHs in 2002~2005 (%).....	34
Table 44: Borrowing sources of sample FHs since 2002	34
Table 45: Credit size of sample FHs since 2002	35
Table 46: Actual credit period of sample FHs	35
Table 47: Usage structure of borrowing of sample FHs since 2002	35
Table 48: Interest rate distribution of borrowing of FHs.....	36
Table 49: Credit security of loans for FHs	37
Table 50: Situation of loans not repaid on maturity of FHs.....	37
Table 51: Repayment sources of sample FHs and reasons loans can not be repaid on maturity	38
Table 52: present borrowing intention of FHs (%)	38
Table 53: Contrast credit size FHs expect with actual credit size.....	38
Table 54: Credit period requirement of FHs	39
Table 55: Borrowing interest rate of FHs and their endurance of interest rate	39
Table 56: Pattern of credit guarantee FHs expect	40
Table 57: Choice of the items with larger funds demand in the next 3 years	40
Table 58: Expectation of funds sources to meet demand of FHs in the future	41
Table 59: Lending behaviour of sample FHs since 2002 (%)	41
Table 60: Security degree of lending behaviour of Farm Households (%)	41
Table 61: Participation will of sample FHs and situation of actual participation (%).....	42

Figure 1: the location of the 6 surveyed counties.....	8
Figure 2: Comparison of deposit-loan ratio, percent of PBC-lending and percent of NPLs in each sample county.....	9
Figure 3: Credit rating card RCC giving to FHs based on credit rating	12
Figure 4: The honor plate of credit village and credit household.....	13
Figure 5: Role of VC and VCC in the course of disbursement and collection of loans	13
Figure 6: Coordinate of RCC and government in the development of garlic farmer in Sinan	14
Figure 7: Relationship of each interest mainstay in the course of flue-cured tobacco development.....	14
Figure 8: Comparison of loan size and coverage of FHs in 44 sample village of RCC (the end of September, 2005).....	16
Figure 9: Age distribution of sample FHs in each surveyed county.....	19
Figure 10: Contrast cash income with expenditure of sample FHs in each county in 2004	24
Figure 11: Pattern of paying shares of RCC of 442 sample FHs.....	29
Figure 12: Contrast of expected loan size of FHs and credit size given by RCC32	

Abbreviations & Acronyms

ABC	Agricultural bank of China
ADBC	Agriculture Development Bank of China
BC	Bank of China
CBC	Construction Bank of China
FHs	Farm Households
ICBC	Industrial and Commercial Bank of China
Na.	Not available
NGOs	Non-governmental organizations
PBOC	People's Bank of China
pRCCU	Provincial Rural Credit Cooperative Union
PS	Postal Saving
RCC	Rural Credit Cooperative
RCCU	Rural Credit Cooperative Union
RCFs	Rural cooperative funds
SME	SME
UCC	Urban Credit Cooperative

Currency Equivalents

(as of 15 August, 2005)

Currency Unit	-	Yuan (RMB)
RMB¥1.00	=	\$0.1233
USD\$1.00	=	RMB¥8.1101

Abstract

The report is based on the sample survey of farm households (FHs) in Wanshan, Songtao, Yahe, Dejiang, Sinan, Yinjiang, Tongren prefecture, Guizhou province.

On the selection of surveyed sample, we divided all the townships in the six counties into three kinds according to the degree of economic development, firstly; secondly, in each kind of township, we chose one randomly; thirdly, with the same criterion, we divided all the villages in the chosen townships into three kinds, fourthly, in each kind of village, we also choose one randomly. In this way, we chose 54 sample villages in the 18 townships, 6 counties. Then in the 54 sample villages, we investigated FHs with questionnaires randomly, 13~15 FHs in each village, and 40 FHs in each township. Finally, we visited 720 FHs in all, and got 720 valid questionnaires.

At the same time, we also investigated the loans for FHs of 18 RCC and got the information of total amounts, coverage, and usage of loans for FHs in part sample villages.

This report consists of 6 parts. The first part shows the intention of research. The second part involves the illustration of surveyed regions and sample selection. The third part is the credit for FHs of RCC in sample region. The fourth part analyzes the basic conditions of sample FHs from the point of view of their age characteristics, family scale, and years of education of family head, employment conditions, income sources, wealth and saving capability. The fifth part analyzes the financial demands of FHs, which involves the sources of FHs' production funds and their choice of source should they require a loan, the borrowing demands and the conditions of obtaining loans, the understanding of RCC microfinance in farm households, actual credit sizes that FHs have, and the credit coverage, the credit amount that FHs got since 2002, loan term and interest rate, funds demands in the future, the behaviour of debit and credit among FHs, and the insurance behaviours of FHs. The sixth part is the summarization of research result, namely, the main findings and conclusions.

According to the analysis of survey of financial demand and supply of FHs in Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang, we draw the conclusions which are similar to the analysis of survey in Tongren, Jiangkou, Shiqian and Yuping. FHs' loan demands are larger than existing loan amounts allow. Microfinance for FHs arranged by RCCs since 2002 has improved FHs' accessibility to formal credit to a certain extent, but many FHs with credit demands have no experience in borrowing from the formal financial institutions, therefore the loan coverage should be improved. Existing loan amounts are small and many loan demands and financing activities of FHs need to operate through informal channels. There is substantial room to expand the rural finance market.

Key words: farm households, credit demand, informal finance, RCC, loan coverage

I. Introduction

In July 2005, the research group completed the survey of financial supply and demand of FHs in Tongren, Jiangkou, Shiqian and Yuping 4 counties in Guizhou province, and completed the research report of *Financial Demand Study of Farm Households in Tongren/Guizhou of PR China-Survey in Tongren, Jiangkou, Shiqian and Yuping*. In order to understand the financial supply and demand of FHs in Tongren prefecture comprehensively, supported by Asian Development Bank, the research group investigated the financial supply and demand of FHs in Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang 6 counties in Tongren prefecture, Guizhou province in October, 2005. Up to now, we completed the investigation of all 10 counties in Tongren prefecture, Guizhou province. In line with the same method of survey and contents used in July, 2005, the survey in October, 2005, is conducted from the points of view of supply and demand. The surveyed unit of supply is administrative village; we inspected the RCC^① credit supply for FHs in sample administrative village, such as the number of credit, credit amounts, outstanding loans per FHs, loan coverage, and so on. We investigated the RCC credit supply for FHs in 44 villages and the usage direction of loans for FHs. The survey of demand required visits to FHs, to study the basic economic situation of FHs, their loan demand situation, the method to meet their loan demand, the degree of satisfaction, the main contributions affecting their loan demand satisfaction degree, etc.

This analytic report is based on the survey of financial demand and supply of FHs in Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang.

II. Illustration of Surveyed Regions and Sample Selection

(I) The Location of Surveyed Region

The macroeconomic and financial situation in surveyed region has been illustrated in the report of *Macroeconomic & Financial Development in Tongren Prefecture and Its Counties*. This report is the inspection based on the FHs survey in Wanshan, Songtao, Yanhe, Dejiang, Sinan, Yinjiang in Tongren prefecture, Guizhou province and credit supply for FHs of RCC. Their location showed in Figure 1.

^①Because in Tongren rural area, RCC is the main formal financial supplier in the present FHs credit market.

III. Credit for Farm Households of RCC in Sample Region

(I) Basic Condition of Business Development of RCC in Sample Counties

According to Table 2 and Figure 2, the business development of credit for FHs of RCC in sample counties has following characteristics:

1. RCC operates at an serious overload, and relies re-lending of PBC greatly, the credit supply for FHs of RCC is insufficient, such as the deposit-loan ratio of RCC in sample counties is high, exceeds the assets-liability ratio management requirements greatly; Percent of PBC-lending to outstanding loans is high. At the end of September, 2005, the deposit-loan ratio of Sinan RCC is up to 114.8%; Percent of PBC-lending to outstanding loans of Wanshan RCC is up to 25.1%.

2. The market share of RCC in loan market is higher than in local deposit market greatly. At the end of September, 2005, the market share of Wanshan RCC in loan market is 95%, while in local deposit market, it is 25%.

3. The ratio of non-performing loans (NPL) is low in general.

4. The approval degree of FHs to RCC is high, so the proportion of FHs being member of RCC is high. The business advantage of RCC is sufficient information; in general, a credit conductor of RCC will charge the disbursement and collection of loans in several villages. Working in these regions for a long time, credit conductor is acquainted with FHs in the regions, and a credit complex has been established, which can not be established by non-local credit institutions in a short time. It is because of this complex that the credit business of RCC developed normally.

Table 2: Business development of RCC in sample counties at the end of September, 2005

	Deposit-loan ratio %	Percent of PBC-lending to outstanding loans %	Market share %		Percent of NPLs %	Percent of RCC Member to total FHs %
			deposit	loan		
Wanshan	89.1	25.1	25.0	95.0	4.3	
Songtao	103.0	15.4	25.4	52.3	10.2	55.6
Yanhe	100.8	13.7			10.3	
Dejiang	106.6	24.0	30.4	44.3	5.0	75.0
Sinan	114.8	8.2	40.0	60.0	5.6	60.0
Yinjiang	97.4	13.7	40.0	60.0	13.2	70.0

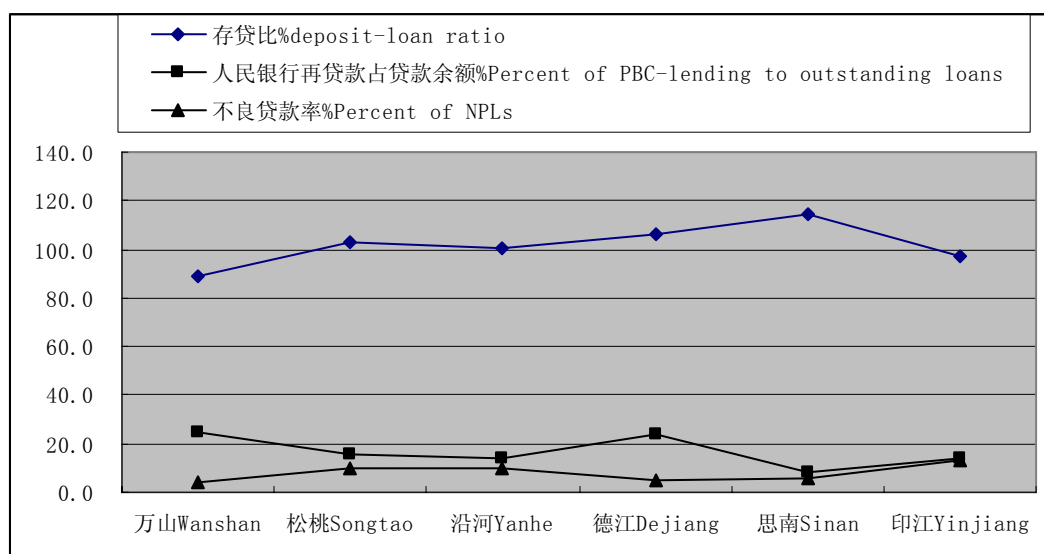


Figure 2: Comparison of deposit-loan ratio, percent of PBC-lending and percent of NPLs in each sample county

As to sample townships RCC, the situation is similar (Table 3). Deposit-loan ratio is high, except for very few townships RCC, and the average deposit-loan ratio of 18 RCC is up to 95.2%, of which, the deposit-loan ratio of Qitan RCC in Yanhe county is even up to 210.4%, whose most loans are formed from borrowing; RCC depend on borrowing funds^② seriously, the average percent of borrowing funds to loan of 18 RCC is 19.7%; At the same time of sustaining low percent of NPLs (9.0% averagely), RCC achieve high credit coverage, the average credit coverage of 18 RCC is up to 51.4%, of which, the credit coverage of Zhongba RCC in Yinjiang and Xiaxi RCC in Wanshan is 85% and 83.6% respectively. However, the high credit coverage of RCC is achieved with low satisfaction ratio of credit demand of FHs.

^②Borrowing funds comes from PBC-lending and RCCU.

Table 3: Business development of RCC in sample townships at the end of September, 2005

county	township	Deposit-loan ratio %	Percent of borrowing funds to loan %	Percent of NPLs %	Credit coverage %	Max outstanding loan of FHs: Yuan	Max outstanding deposit of FHs: Yuan	Percent of RCC Member to total FHs %
Wan shan	Gaolouping	122.6	45.2	4.2	50.1	40	50	
	Huangdao	113.0	25.4	5.2	60.9	10	5	
	Xiaxi	88.9	24.5	5.3	83.6	6	30	
Song tao	Liaogaobeimen	69.5	19.6	8.8	-	24	12	
	Panshi	159.4	29.9	18.3	36.6	5	8	48.3
	Waxi	125.9	31.2	4.7	40.6	6	12	62.4
Yan he	Zhongjie	120.1	33.0	8.1	43.7	9.8	41.5	53.6
	Qitan	210.4		7.7	16.3	7	8	15.2
	Heishui	79.5		9.4	65.3	4	10	27.5
De jiang	Jiancha	113.9	32.1	10.9	55.6	5	11	42.8
	Shaxi	170.3	88.9	14.5	76.3	3.5	13.5	22.4
	Pingyuan	107.7	45.9	9.3	67.8	3	10	66.2
Sina n	Tangtou	94.1	16.6	5.9	28.2	50	30	56.5
	Liangshuiji ng	61.1		13.1	76.4	30		75.8
	Yingwuxi	70.0		6.5	65.3	60	10	70.0
Yin jiang	Zhongba	67.6		12.7	85.0	3	20	80.0
	Heshui	99.9	9.0	12.6	48.0	100	8	87.0
	Chanxi	112.9	21.9	8.8	29.5	12	10	80.0
Average		95.2	19.7	9.0	51.4	-	-	-

(II) Microfinance for FHs of RCC

1. All RCC have developed microfinance and group lending for FHs, and regarded it as an important measure to enlarge rural financial supply, which resolve the financing difficulties of FHs greatly.

2. Improving credit consciousness of FHs with credit rating for FH.

During the course of development of microfinance and group lending for FHs, RCC used the experience of NGO microfinance for poverty alleviation for reference. According to family wealth and income of FHs, RCC divided FHs into three categories: excellent; fair good and ordinary, and gave them certain credit size (Table 4 & Table 5) and credit card (Figure 3), gave FHs keeping their promises in a certain period (often 1~2 year) the chance to go up their credit size and obtain more loans, which improved credit consciousness of FHs greatly.



Table 4: Credit rating for FHs of Wanshan and Songtao RCC

RCC	Percentage of FHs evaluated rating to total FHs %	Excellent %	Fair good %	Ordinary %
Gaolouping township in Wanshan	52.27	36.53	34.25	29.22
Huangdao township in Wanshan	65.17	11.31	26.46	62.23
Xiayi township in Wanshan	95.18	19.96	29.99	50.05
Songtao county	42.89	20.00	60.00	20.00
Zhongjie township in Songtao	14.06	13.45	24.82	61.74

Table 5: Credit size for FHs of RCC

	Early stage (Yuan)	After 1-2 year (Yuan)
Ordinary	2000	5000
Fair good	5000	10000
Excellent	10000	30000

3. Combining the disbursement of RCC microfinance with the establishment of credit household and village (or town) has propelled the cultivation of rural credit culture and improved the rural credit circumstance greatly.

In order to propel the cultivation of rural credit culture, consolidate repayment consciousness of FHs, RCC combined the evaluating of credit household and village (group) with disbursement of RCC microfinance, which improved the rural credit circumstance greatly (Figure 4).



Figure 4: The honor plate of credit village and credit household

In order to make FHs experience the advantage of keeping their promises indeed, RCC gave RCC member, FHs in credit village (group) and credit households preferential interest rate on loan, which stimulated FHs keep promises further. And this is also the reason of high Percent of RCC Member to total FHs (Table 6). For example, Yinjiang RCC applies differential interest rate on loan to RCC member or non-member; to member, interest rate is preferential obviously, which promote the initiative of FHs to join RCC, so the percent of RCC member in Yinjiang is 70% or so.

Table 6: Differential interest rate on loan of RCC %

period (X)	Yinjiang			Dejiang	
	Non-member	member	FHs in credit village (group)	Loan for supporting agriculture	Commercial loans or other
X≤6 months	10.963	9.396	7.83	10.044	10.08
6 months <X≤1 year	11.718	10.044	8.37	10.584	10.62
1 year <X≤3 years	12.096	10.368	8.64	10.944	10.98
3 years <X≤5 years	12.285	10.53	8.775	11.124	11.16

4. Under the circumstance of limited human resource, in order to strengthen information symmetry, RCC developed village coordinator in the course of disbursement and collection of loans, brought the role of villagers' committee into play (Figure 5).

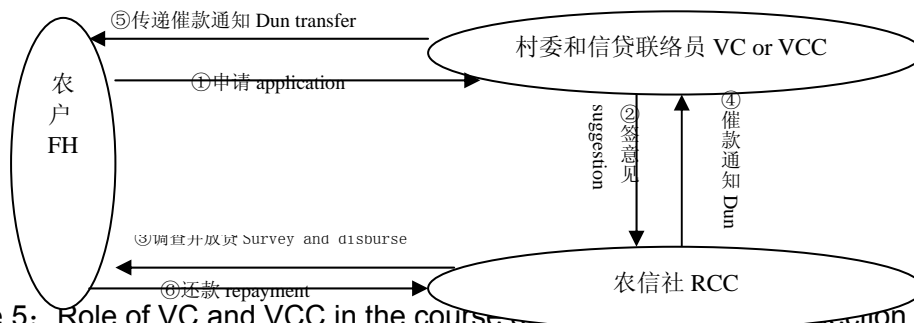


Figure 5: Role of VC and VCC in the course of disbursement and collection of loans
VC-villagers' committee, VCC-village credit conductor

5. In order to promote the structure adjustment of rural industry and scallization development of agricultural leading industry, government give interest subsidy to loans for scallized planting and breeding meeting the need of structure adjustment, which increases the demand of loans for FHs. Breeding, flue-cured tobacco supported by Songtao、Yanhe、Dejiang、Sinan、Yinjiang RCC and garlic supported by Sinan RCC are the examples (Figure 6 & Figure 7).

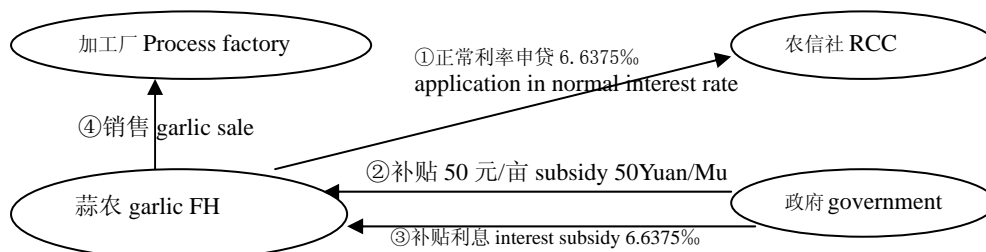


Figure 6: Coordinate of RCC and government in the development of garlic farmer in Sinan

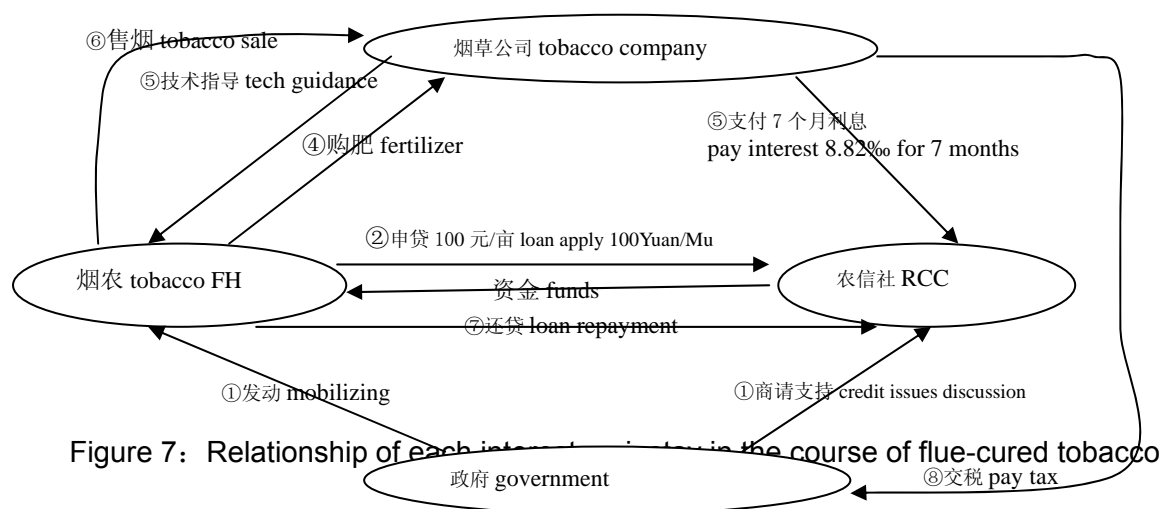


Figure 7: Relationship of each interest subject in the course of flue-cured tobacco

6. Credit size for FHs of RCC is low, the important reason is the authority of credit examination and approval of RCC on basic level allocates improperly.

Table 7 and Figure 8 is the statistic of loans for FHs in 44 villages of RCC. There are 10661 FHs in 44 villages, of which, 4889 FHs have outstanding loans at the end of September, 2005, taking 45.9%, and the average credit size is only 5910.8 Yuan. Of the FHs having loans, the credit size of 64.6% FHs is below 5000 Yuan, only 16.9% is above 10000 Yuan.

At the same time, as to 44 sample villages, the average credit size has greater difference. The average credit size of FHs in Sunjia village, zhongjie township, Yanhe county, is highest, up to 18064.5 Yuan; and that of FHs in Dalu village, Jiancha township, Dejiang county, is only 955.8 Yuan.

Table 7: Loan size and coverage of FHs in 44 sample village of RCC (the end of September, 2005)

county	township	village	loan size (X) (thousand Yuan-TY)				Average loan size per FHs: Yuan	Loan coverage %
			X≤1TY	1<X≤5TY	5<X≤10TY	X>10TY		
Wanshan	Gaolouping	Guojia	1.2	31.3	66.3	1.2	7309.6	25.8
		Gaolouping	0.0	43.0	50.5	6.5	6675.8	35.2
		Qinmen	4.4	35.6	51.1	8.9	7066.7	18.8
	Huangdao	Baiwuchang	20.5	49.7	21.0	8.7	4746.8	53.4
		Huangxi	17.1	63.8	10.5	8.6	3672.5	-

		Li ao	23.4	45.9	18.9	11.7	4694.9	-
	Xiaxi	Qinglong	12.1	45.5	21.2	21.2	7372.4	25.0
		Baoxi	14.3	60.3	20.6	4.8	4545.9	44.1
		Xiaxi	12.7	34.6	27.8	24.9	8412.2	40.7
Songtao	Waxi	Jiuzhaiba	9.9	48.9	15.3	26.0	8254.0	37.3
		Yansangba	17.8	62.2	13.3	6.7	4024.1	17.4
Yanhe	Zhongjie	Pojiao	20.0	32.0	22.7	25.3	8666.7	64.1
		Sunjia	1.6	30.6	25.8	41.9	18064.5	39.5
		Huangjiadong	8.9	31.1	20.0	40.0	9777.8	40.7
	Qitan	Langxi	22.7	36.4	18.2	22.7	7998.5	26.3
		Tiangongjing	11.9	38.1	21.4	28.6	8386.0	18.9
		Tudi ao	21.4	31.0	19.0	28.6	9260.7	27.5
	Heishui	Jianshan	30.9	52.7	10.9	5.5	3184.8	21.5
		Jianquan	36.2	50.0	10.9	2.9	2875.1	37.9
		Yangzhai	34.2	40.4	12.3	13.2	4785.4	23.3
Dejiang	Jiancha	Xinchang	38.1	56.1	4.3	1.4	2555.8	-
		Dalu	71.8	27.6	0.6	0.0	955.8	-
	Shaxi	Sibao	44.2	40.8	12.2	2.7	2191.8	75.4
		Shujia	60.6	38.1	0.4	0.9	1406.2	64.6
		Shilong	61.9	25.0	8.3	4.8	1743.6	-
	Pingyuan	Heshi	42.1	39.7	14.3	4.0	2845.7	46.7
		Taitou	35.6	53.0	9.4	2.0	2558.0	54.8
		Dongfeng	62.2	32.4	4.1	1.4	2065.4	59.7
	Sinan	Tangtuo	Xinping	40.0	45.7	8.6	5.7	2607.3
Chuandong			4.8	20.8	22.4	52.0	13363.6	24.6
Hongshan			36.6	58.5	2.4	2.4	1955.9	30.1
Liangshuijing		Anshan	47.3	33.8	6.8	12.2	4019.4	35.6
		Zhangjiashan	45.7	31.9	10.3	12.1	3961.4	75.8
		Fengyun	38.8	32.8	12.9	15.5	4848.1	36.8
Yingwuxi		Wangjiazhai	51.1	40.9	2.9	5.1	2826.7	63.7
		Tanjiaba	38.7	36.9	9.0	15.3	6138.0	29.2
		Gaozhuang	50.6	32.1	8.6	8.6	4384.0	47.4
Yinjiang	Zhongba	Datian	39.9	21.7	19.6	18.9	7195.0	21.4
		Yantang	10.8	40.0	24.6	24.6	9078.5	20.3
		Tianchi	6.3	50.0	25.0	18.8	7500.0	17.6
	Heshui	Yuquan	0.0	42.8	30.0	27.2	9700.0	63.8
		Ping'e	0.0	20.1	34.9	45.1	11415.5	78.0
		Xinlian	0.0	20.2	34.5	45.3	8149.8	70.8
	Chanxi	Meituo	29.4	30.6	18.8	21.2	7140.0	-
Average			26.9	37.7	18.4	16.9	5910.8	45.9

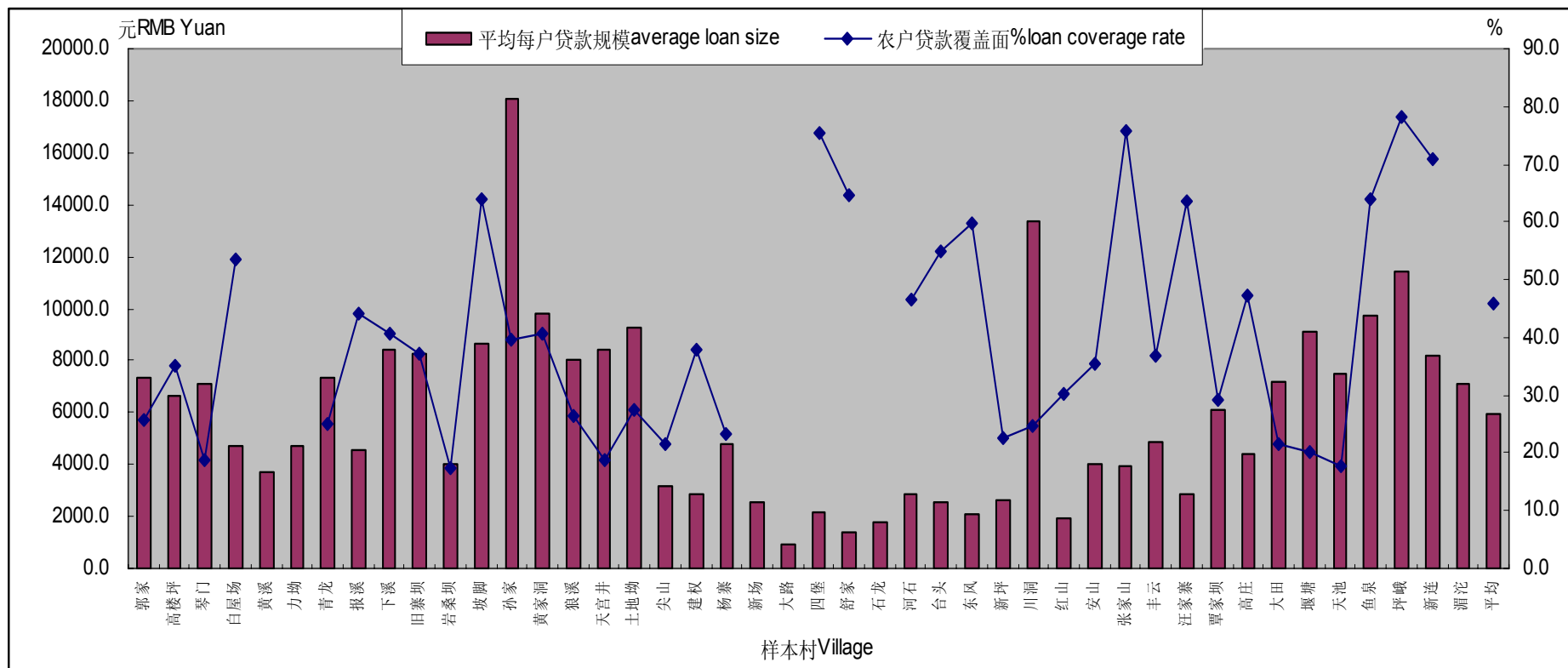


Figure 8: Comparison of loan size and coverage of FHs in 44 sample village of RCC (the end of September, 2005)

Why is the credit size so low? Whether their credit demand is so or it is the result of credit ration? In the survey, we find it is because RCCU allocates too low credit authority to township RCC.

Whether under the current one level corporation system or two level corporations system before reform, RCCU controls the personnel, fortune of township RCC, and so on. On the loan management, RCCU controls the authority of credit examination and approval of township RCC and township RCC has authority of decision-making only in certain credit size, beyond the size, credit must be examined and approved by RCCU.

Table 8 shows that the authority of credit examination and approval of township RCC is limited, so the credit demand of FHs exceeding the authority of credit examination and approval of township RCC must be examined and approved by RCCU. Thus, on one hand the credit demand of FHs can not be met in time, because a more examination and approval will need more time, on the other hand township RCC will control loan size in the authority as possible and suppress the credit demand of FHs to decrease the trouble of reporting large credit for approval, which make the credit demand of more FHs only meet on low-level.

Table 8: Credit authority (x) of township RCC

RCC	Credit conductor	Director of RCC	examination and approval committee of RCC	RCCU
Xiayi township in Wanshan	$X \leq 3000$	$3000 < X \leq 10000$	$10000 < X \leq 20000$	$X > 20000$
Songtao 、 Yanhe 、 Sinan、 Yinjiang	$X \leq 5000$	$5000 < X \leq 10000$	$10000 < X \leq 30000$	$X > 30000$
Jiancha township in Dejiang	$X \leq 5000$	$5000 < X \leq 10000$	$10000 < X \leq 40000$	$X > 40000$
Shaxi township in Dejiang	$X \leq 3000$	$3000 < X \leq 10000$	$10000 < X \leq 20000$	$X > 20000$

7. Analysis of demand aspect shows loan demand of FHs mainly centralizes in meeting the need of scallized planting and breeding, and developing industry, commerce and transport, the funds demand of traditional planting and breeding is limited. In Table 9, the villages whose loans ratio for planting and breeding is high are flue-cured tobacco bases. Their scallized planting develop well, so the ratio of credit demand for planting is relatively high; while that of those villages whose planting do not develop in scalization is low. In 6 sample counties, except Wanshan, all the other 5 have FHs planting flue-cured tobacco with scallization, so the average ratio of loans for planting in 44 village is up to 36.8%, which is in consistent with the surveyed result in Tongren, Jiangkou, Shiqian and Yuping. The ratio of loans for planting in Wanshan County and the villages in other counties without flue-cured tobacco base is low, but their ratio of loans for breeding and industry, commerce and transportation is relatively high.

In the survey, we also find the situation that loans for FHs are used to build houses is more, so in Table 9, the proportion of loans used in living is higher.

Table 9: Usage structure of loans for FHs in 44 sample village of Rcc at the end of September, 2005 %

county	township	village	planting	breeding	Industry, commerce & transport	living	School fee	others	total
Wanshan	Gaolouping	Guojia	1.2	15.7	63.9	18.1	1.2	0.0	100.0
		Gaolouping	2.1	34.4	40.6	16.7	6.3	0.0	100.0
		Qinmen	0.0	40.0	44.4	11.1	4.4	0.0	100.0
	Huangdao	Baiwuchang	5.6	48.2	17.4	24.6	0.5	3.6	100.0

	Xiayi	Huangxi	8.6	53.3	12.4	21.9	2.9	1.0	100.0
		Li ao	5.4	55.0	12.6	22.5	4.5	0.0	100.0
		Qinglong	3.0	39.4	33.3	18.2	3.0	3.0	100.0
		Baoxi	3.2	48.4	18.3	24.6	5.6	0.0	100.0
		Xiayi	2.0	24.9	38.0	30.7	3.4	1.0	100.0
Songtao	Liaogao	Baao	1.5	1.5	89.6	7.5	0.0	0.0	100.0
	Waxi	Jiuzhaiba	31.3	7.0	2.3	43.8	15.6	0.0	100.0
		Yansangba	48.9	26.7	0.0	11.1	13.3	0.0	100.0
Yanhe	Zhongjie	Pojiao	6.4	50.0	17.9	15.4	9.0	1.3	100.0
		Sunjia	1.5	13.8	27.7	44.6	10.8	1.5	100.0
		Huangjiadong	3.2	19.4	24.7	43.0	7.5	2.2	100.0
	Qitan	Langxi	8.3	58.3	9.7	13.9	1.4	8.3	100.0
		Tiangongjing	2.1	55.3	14.9	23.4	4.3	0.0	100.0
		Tu diao	2.4	44.7	24.7	21.2	3.5	3.5	100.0
	Heishui	Jianshan	2.9	52.2	14.5	21.7	8.7	0.0	100.0
		Jianquan	30.0	28.0	10.7	28.0	3.3	0.0	100.0
		Yangzhai	8.0	38.5	18.4	21.3	13.8	0.0	100.0
Dejiang	Jiancha	Xinchang	47.6	28.1	6.7	11.9	4.8	1.0	100.0
		Dalu	79.0	7.0	1.8	7.7	4.4	0.0	100.0
	Shaxi	Sibao	39.7	28.5	15.5	13.4	1.3	1.7	100.0
		Shujia	55.2	25.4	3.4	13.1	2.2	0.7	100.0
		Shilong	39.4	31.5	12.6	13.4	3.1	0.0	100.0
	Pingyuan	Heshi	45.4	30.9	7.7	12.1	3.4	0.5	100.0
		Taitou	52.1	31.3	2.1	9.2	5.4	0.0	100.0
		Dongfeng	78.1	10.5	3.5	6.1	1.8	0.0	100.0
	Sinan	Tangtou	Xinping	45.7	25.7	11.4	11.4	5.7	0.0
Chuandong			4.9	17.9	6.5	68.3	2.4	0.0	100.0
Hongshan			26.2	38.1	21.4	2.4	11.9	0.0	100.0
Liangshuijing		Anshan	61.6	19.2	5.5	11.0	2.7	0.0	100.0
		Zhangjiashan	60.7	8.6	4.3	22.9	3.6	0.0	100.0
		Fengyun	59.2	16.8	9.6	5.6	8.8	0.0	100.0
Yingwuxi		Wangjiazhai	62.2	18.4	2.0	7.1	7.1	3.1	100.0
		Tanjiaba	41.4	39.6	4.5	9.9	4.5	0.0	100.0
		Gaozhuan	70.9	3.5	14.0	5.8	4.7	1.2	100.0
Yinjiang	Zhongba	Datian	31.5	20.3	20.3	25.9	2.1	0.0	100.0
		Yantang	1.5	24.6	26.2	40.0	7.7	0.0	100.0
		Tianchi	6.3	18.8	37.5	37.5	0.0	0.0	100.0
	Heshui	Yuquan	71.1	0.0	8.9	12.8	0.0	7.2	100.0
		Ping e	69.0	0.0	12.7	9.9	0.0	8.5	100.0
		Xinlian	62.9	0.0	12.0	15.4	0.0	9.7	100.0
	Chanxi	Meituo	33.3	23.8	11.9	26.2	4.8	0.0	100.0
average			36.8	24.4	14.4	18.5	4.2	1.8	100.0

III. Basic Conditions of Sample Farm Households

The basic conditions of sample FHs include the basic information on family head and his family, the economic activities of FHs.

(I) Basic Characteristics of sample Farm Households

1. Age characteristics. According to the distribution of age group, sample FHs show an average age >30 years old for the family head, with the proportion of family heads between 30~60 being 80%. The proportion of FHs with family heads under 30 is very low (see Table 10), this is because, relative to the former, more of these people have more opportunity to go out for working or employed by local enterprises^③. At the same time, the age distribution of FHs among counties is close (see figure 9), showing sample FHs has representation.

Table 10: Age structure distribution of family head of sample FHs

Age group	<30	31~40	41~50	51~60	>60
Proportion	9.58%	28.61%	27.08%	24.72%	10%

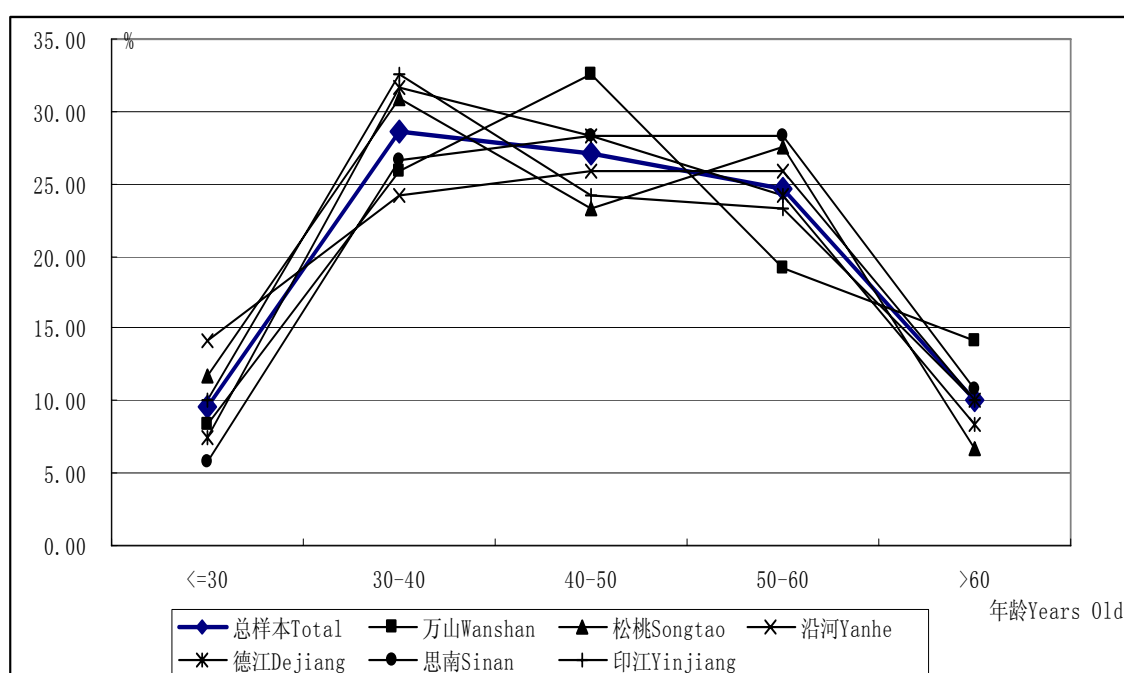


Figure 9: Age distribution of sample FHs in each surveyed county

2. Family scale of sample FHs. The average scale of FHs is 4.78 people a family, the family with less than 4 people takes a leading rank, next is the family with 4~6 people (The proportion of these two is 87.36%), the average number of labourers >16 years old per family is 2.57, and families with less than 2 of these young labourers are common (There are 456 in the 720 FHs, takes 63.33%). As to each sample county, the difference of FHs is small, only in Songtao, the proportion of FHs with 4~6 people is higher than that of FHs with less than 4 people; and in the aspect of labourer scale, the characteristic of each county is completely in line with that of total sample (see Table 11).

Table 11: The characteristics of family scale of sample FHs(%)

		Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Family people	X<4	48.75	53.33	36.67	51.67	52.5	44.17	54.17
	4≤X≤6	38.61	34.17	40.83	36.67	40.83	44.17	35

^③ In order to build a family, young people often go out for work or work in off farm industries to complete the primitive accumulation, so the age group of young people is fewer. At the same time, young people go out for work is one of the major living sources of most FHs.

(X , people)	X >6	12.64	12.5	22.5	11.67	6.67	11.67	10.83
Family labour (X , people)	X <2	63.33	53.33	60	72.50	68.33	60.83	65
	2 ≤ X ≤ 5	29.58	38.33	27.5	21.67	28.33	29.17	32.5
	X ≥ 6	7.08	8.33	12.5	5.83	3.33	10	2.5

3. Education level of family head is lower in general. In sample FHs, education level of family head is centralized in primary school (1~6 year) and junior middle school (6~9year), the proportion of FHs that have received junior middle school or below (including illiterate) is up to 90.84%, only 0.97% have received universities and colleges or above^④. In each sample county, the educational characteristic of surveyed FHs is identical, only in the aspect of higher education, the proportion of FHs in Dejiang is higher than that of the other counties a little (see Table 12).

Table 12: The educational distribution of sample FHs(%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
illiterate	11.67	16.67	12.5	5.83	8.33	15.83	10.83
Primary school	40	38.33	38.33	42.5	39.17	37.5	44.17
Junior middle school	39.17	36.67	35.83	39.17	43.33	39.17	40.83
Senior middle school	5	4.17	9.17	7.5	1.67	5	2.5
secondary specialized school	3.19	3.33	3.33	4.17	5	1.67	1.67
universities and colleges or above	0.97	0.83	0.83	0.83	2.5	0.83	0.00

(II) Economic Activities Information on Sample Farm Households

1. Traditional industry is the main economic activity field of FHs, with marked characteristic of concurrent industry.

Table 13 shows the industries information that major family labours engage in, from which, we can find that in total sample, traditional planting and breeding is the main industry of FHs, the proportion of sample FHs who give priority to traditional planting and breeding is up to 61.25%, what's more, FHs have marked characteristic of concurrent industry, the proportion of FHs undertaking farm or non farm simultaneously is 31.81%^⑤, while that of non farm is only 6.94%. At the same time, there are 607 FHs engaging in planting (including those engage in planting single or simultaneously), taking 84.31% of total sample; 372 FHs engage in breeding, taking 51.67%. All these indicate that in the sample area, the traditional agricultural production (including planting and breeding) is still the main economic activity field of local FHs. The above-mentioned features are basically identical in each sample county, only concrete proportion of distribution has a little difference. Of which, the proportion of FHs undertaking non farm in Sinan is only 0.83%, while in Wanshan and Songtao, it is above 10%, which is related to the geographic location and local economic development.

In addition, for the non farm production, going out for works or working in local enterprises is the main choice, its proportion in sample FHs is 78.9% (In the 493 sample answered the question, there 389 chose the alternative.).

Table 13: Industries that main labourers of sample FHs are engaged in (%)

Divided by industry category	total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Agriculture (including planting and breeding)	61.25	50	63.33	60.83	65.00	65.83	62.50
Both farm and non farm	31.81	40	23.33	32.50	29.17	33.33	32.50

^④ The family head of these FHs is mainly the village teacher, whose dependents are engaged in farm activities.

^⑤ The ratio is obviously higher than that of the other 4 counties in Tongren prefecture obtained in July, 2005.

Non farm industries	6.94	10	10.83	6.67	5.83	0.83	5.00
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2. The majority of income comes from traditional industry, but some income diversification can be seen.

Income sources of FHs are closely connected with their economic activities and industries main labourers are engaged in. Because the industry that FHs engage in is mainly the traditional planting and breeding, this revenue is the most important income source, as can be seen from Table 14. Whether to multi-sources FHs or single-source FHs[®], planting and breeding are their main income source. At the same time, 53.58% of multi-sources FHs and 23.58% of single-source FHs rely on income from going out for work. It proves that going out for work has become one of the main income sources of FHs in sample region.

Table 14: Family income sources of sample FHs

	Multi-sources		Single-source	
	Number of households	Proportion to valid sample%	Number of households	Proportion to valid sample%
Planting	401	82.00	88	38.43
Breeding	287	58.69	29	12.66
Business	66	13.50	23	10.04
Salaries of teachers, doctors, village cadres, workers	50	10.22	21	9.17
Going out for work	262	53.58	54	23.58
others	42	8.59	14	6.11

In addition, the income sources of FHs diversified (see Table 15). In total samples, the proportion of FHs relying on single-source is 31.89%, and the other 68.11% rely on multi-sources. The situation in each sample county has a little difference, as to single-source, the proportion of FHs in Songtao is the highest (45.83%); Sinan is the lowest (only 17.5%). Further analysis shows, as to multi-sources, planting and breeding, planting, breeding and going out for work are mainly engaged in simultaneously. It proves that planting and breeding take very important place in the income of FHs in surveyed region, which not only provide basic living security for FHs, but also are their main income sources. Going out for work provides important supplement for income of FHs.

Table 15: Distribution of family income sources of sample FHs(%)

	total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Single-source	31.89	42.5	45.83	35.59	30.83	17.5	19.17
Multi-sources	68.11	57.5	54.17	64.41	69.17	82.5	80.83

3. The status of family income and wealth is in the middle grade.

The survey to status of family income and wealth of FHs can show the credit liquidity of FHs, but it is difficult to do, so we used the method of objective estimation by surveyed FHs themselves. Analysis shows the estimations of sample FHs to their own family wealth and income are identical (see Table 16). The proportion of FHs who believe their family income and wealth is in the middle-grade is 57.92% and 55.14%, respectively; and that of up-grade and low-grade is 16.53%, 16.39% and 25.56%, 28.47%, respectively. On the whole, whether it be wealth or income, up-grade FHs are fewer; most of them are in middle or low grade, which is connected with the low local economic development level. The analysis of each sample county shows that the feature of each county is in line with that of total sample, but further analysis shows the sample counties can be divided into two group, the proportion of FHs in Wanshan, Songtao and Dejiang whose family income and wealth is in the low-grade is

[®] The answers can be chosen more than once. Therefore, we divided the FHs into single-source and multi-sources. The former refers to the households chosen that alternative only, while the latter means that alternative is the main income source of FHs, which have others income sources.

higher, the proportion in the other 3 counties is relatively lower (see Table 17).

Table 16: Appraisal of family wealth and income by sample FHs themselves

	appraisal of family income		appraisal of family wealth	
	Number of households	Proportion to total sample%	number of households	Proportion to total sample%
Up-grade	119	16.53	118	16.39
Middle-grade	417	57.92	397	55.14
Low-grade	184	25.56	205	28.47

Table 17: Appraisal of family wealth and income by sample FHs themselves in each county (%)

Estimation by FHs		Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
family income	Up-grade	18.33	11.67	20	15.83	15	18.33
	Middle-grade	56.67	53.33	59.17	55	60.83	62.5
	Low-grade	25	35	20.83	29.17	24.17	19.17
family wealth	Up-grade	16.67	11.67	19.17	15.83	17.5	17.5
	Middle-grade	52.5	53.33	56.67	52.5	57.5	58.33
	Low-grade	30.83	35	24.17	31.67	25	24.17

During the survey of cultivated area, house value and durable consumer goods that FHs own (see Table 18), we find, (1) average cultivated area per family of total samples is 3.37 Mu, and a little difference exists in each county, average cultivated area per family is between 2.73~4.57 Mu; (2) the house is the major property of FHs, but its value is limited; the proportion of FHs whose house property value is below 5000 Yuan is 39.16%; 5000~10000Yuan, 26.99%; above 10000 Yuan, 33.85%. As to each sample county, the proportion of FHs in Yinjiang whose house property value is above 10000 Yuan is high, while the house property value of FHs in Songtao is 5000 Yuan or below. (3) As to durable consumer goods, we see there are 24.72% FHs that do not own any durable consumer goods. Ownership of TVs and telephones is relatively higher at 71.81% and 41.25%. It is noticeable that the consumption of telephone is on the premise of owing other durable consumer goods (There are only 16 FHs in 720 sample FHs who owed telephones merely). Similar features are showed in each sample county, and only a little difference exists in concrete distribution.

Table 18: House property and durable consumer goods owned by sample FHs

	cultivated area per family(Mu)	Value of house property %			Durable consumer goods %		
		<5000	5000~10000	>10000 [□]	TV ^{□□}	telephone	none
total	3.37	39.16	26.99	33.85	71.81	41.25	24.72
Wanshan	2.87	51.67	11.67	36.67	78.33	48.33	19.17
Songtao	3.11	57.63	21.19	21.19	75	36.67	20.83
Yanhe	2.73	25.83	33.33	40.83	75	42.5	22.5
Dejiang	4.57	42.37	28.81	28.81	57.5	31.67	39.17
Sinan	3.34	37.5	35.83	26.67	75	49.17	20.83
Yinjiang	3.6	20.17	31.09	48.74	70.83	39.17	28.33

Note: [□] of which, the proportion of FHs whose house value is more than 30000 Yuan is 16.36%. ^{□□} of which, the proportion of FHs own TV merely, but no other durable consumer goods is 27.78%.

4. The income of sample FHs is limited, and saving capability is lower.

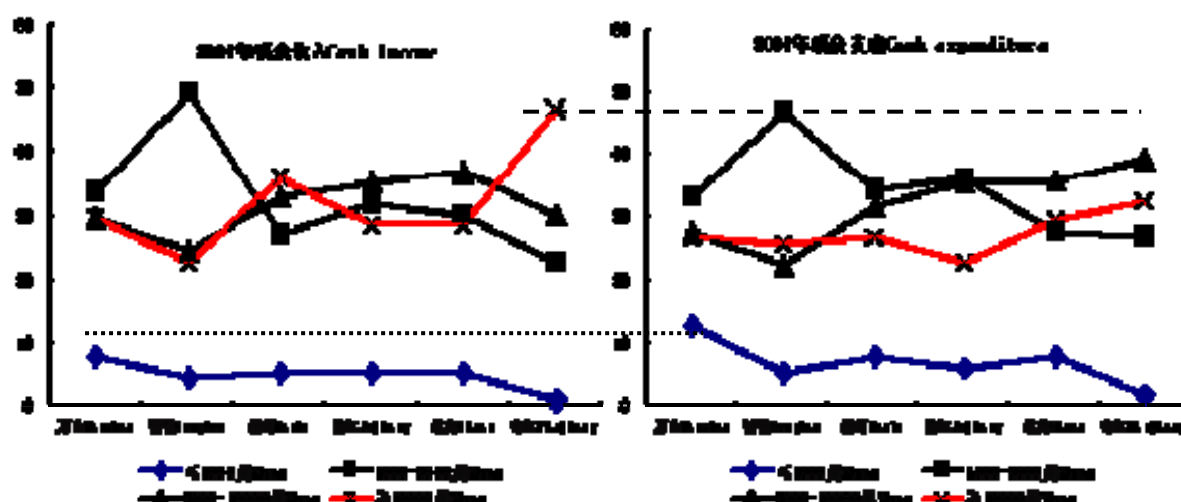
In the survey, we obtain the whole cash income and expenditure data of FHs in 2004^⑦ (Table 19). According to the analysis, we can see that the incomes distribution concentrate on above 10000 Yuan and 1000~5000 Yuan (taking 32.27% and 31.85% respectively); while expenditures concentrate on 1000~5000 Yuan and 5000~10000 Yuan (taking 34.08% and 31.99% respectively). From the above data, we consider that as to the rural residents on the whole, some of the FHs have little surplus. As to this, we can also observe from the analysis of each sample county (Table 20). For example, In Yinjiang, the proportion of FHs whose income is above 10000 Yuan is obviously higher than that of those whose expenditure is above 10000 Yuan, so we can conclude that part FHs whose income is above 10000 Yuan will have little surplus. At the same time, from Figure 10, we can observe that the current income of part FHs can not meet their expenditure of one year, the capability of saving and resisting natural disaster and risks is insufficient.

Table 19: Family cash income and expenditure of sample FHs in 2004

	Family cash income in 2004		Family cash expenditure in 2004	
	Number of households	proportion	Number of households	proportion
≤1000Yuan	33	4.59	48	6.68
1000~5000Yuan	232	32.27	245	34.08
5000~10000Yuan	225	31.29	230	31.99
≥10000Yuan	229	31.85	196	27.26

Table 20: Comparison of income and expenditure of sample FHs in 2004 (%)

		Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Cash Income	≤1000Yuan	7.56	4.17	5	5	5	0.83
	1000~5000Yuan	33.61	49.17	26.67	31.67	30	22.5
	5000~10000Yuan	29.41	24.17	32.5	35	36.67	30
	≥10000Yuan	29.41	22.5	35.83	28.33	28.33	46.67
Cash Expenditure	≤1000Yuan	12.5	5	7.5	5.88	7.5	1.67
	1000~5000Yuan	33.33	46.67	34.17	36.13	27.5	26.67
	5000~10000Yuan	27.5	22.5	31.67	35.29	35.83	39.17
	≥10000Yuan	26.67	25.83	26.67	22.69	29.17	32.5



^⑦The FHs in traditional farming region have stronger idea that the fortune should not tell the outsider, so it is difficult to get the true income and saving information of FHs. So the information of income and saving deposit from FHs can only be reflected the basic condition of income and saving

Figure 10: Contrast cash income with expenditure of sample FHs in each county in 2004

In addition, according to the expenditure structure of FHs, cash expenditures concentrate on seeds, fertilizer, pesticide, etc. needed by agricultural production, daily living consumption expenditure and educational expenditure. At the same time, breeding and other expenditure (see doctor, etc.) are also the important cash expenditure (see Table 21).

Table 21: Structure of cash expenditure of sample FHs

	Agriculture(seeds, fertilizer, pesticide)	breeding	living consumption	education	Others (see doctor, etc.)
Number of households	375	103	375	371	127
Proportion%	52.08	14.31	52.08	51.53	17.64

Note: □The answers can be chosen more than once. □□The other expenditure includes that of seeing doctor and courtesy demands reciprocity.

V. Financial Demand Analysis of Farm Households

(I) Saving motive and capability of Farm Households

Saving deposit of FHs is the important component of rural finance, from the view of point of function and aim of rural finance, saving deposit of FHs is the basis of financing of financial institution. In current stage of China, relative to credit demand, the deposit demand of FHs can be met in general, because the innovative demand for saving product of FHs is little, they always accept the saving product financial institutions provide passively. From the above-mentioned survey of cash flow of FHs, we find that FHs have certain saving ability though it is low, so we will survey the saving will of FHs and their saving situation further.

1. RCC is the first chosen of FHs to deposit, besides, FHs have certain investment will.

From the arrangement of “money not use temporarily” of sample FHs, saving is the major selection of FHs, of which, RCC is the first chosen. In 720 samples, 451 chose to deposit in RCC, taking 62.64%, the situation of each sample county is identical with this (see Table 22), which is related directly to the relations formed through geographical links between RCC and FHs. We also find FHs have certain investment will. In 720 samples, 164 FHs chose the alternative “invest development and enlarge production”, it proves that part FHs consider not only future’s consumption (showing by saving), but also future’s development (showing by investment) when they arrange their funds. What’s more, no FHs chose to use in informal ROSCAs, or purchase bonds, the former shows the economic rationale of FHs; but the latter shows the deficiency of direct financing in rural field.

At the same time, the reason why more sample FHs chose to deposit in RCC is connected with fewer institutions providing saving service for FHs. In 18 surveyed townships, 11 has no other saving institutions except for RCC (Table 23), only 1 township has ABC, FHs who chose to deposit in commercial bank actually deposit their funds in the commercial bank lying in county town. It is because of fewer saving institutions, 3.61% sample FHs place their funds at home, which also shows the financial (deposit) consciousness of part FHs is weak.

Table 22: Selection of saving will of FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Commercial banks	11.94	16.67	13.33	15	15	4.17	7.5
RCC	62.64	65	63.33	55	50.83	68.33	73.33
Postal saving	2.78	2.5	2.5	1.67	7.5	1.67	0.83
Lend to others	0.97	1.67	0.83	-	2.5	0.83	-
Place at home	3.61	5	5.83	4.17	4.17	0.83	1.67
invest development, enlarge production	22.78	19.17	23.33	29.17	30	25	18.33

Table 23: Establishment of financial institutions in 18 sample townships

county	township	Other financial institutions except for RCC
Wanshan	Gaolouping	-
	Huangdao	-
	Xiayi	Postal saving
Songtao	Liaogaobeimen	-
	Panshi	-
	Waxi	-
Yanhe	Zhongjie	-
	Qitan	-
	Heishui	-
Dejiang	Jiancha	Postal saving
	Shaxi	-
	Pingyuan	-
Sinan	Tangtou	Postal saving、ABC
	Liangshuijing	Postal saving
	Yingwuxi	Postal saving
Yinjiang	Zhongba	-
	Heshui	Postal saving
	Chanxi	Postal saving

2. Selection of saving product

At present, saving products provided by rural financial institutions include time and current saving products mainly. Time and current saving deposit are also the most popularized products rural financial institution provides to FHs. In total samples, the proportion of FHs chose current saving is 87.88%, and that of time saving is only 12.12%, which shows that part FHs has certain saving capability, but it is used to deal with the need of daily transaction. As to each sample county (Table 24), there are more FHs in Wanshan and Songtao choose time saving, of which, 1/4 FHs in Wanshan chose time saving; the proportion of Songtao is 18.33%, which shows the surplus of FHs in these two counties is relatively more, it can form certain accumulation.

Table 24: Selection of saving product of sample FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Time deposit	12.12	25	18.33	9.24	6.67	5.83	7.56
Current deposit	87.88	75	81.67	90.76	93.33	94.17	92.44

3. Future's living expenditure and children's educational expenditure are the major saving motive of FHs.

From the saving motive of sample FHs (see Table 25), future's living expenditure and children's educational expenditure are the major saving motive of FHs. In total samples, 54.17% FHs chose that the aim of saving is for children's education, 36.81% is future's living; next is for purchasing means of production in next year and building house. The conclusion of each sample county is identical. Be worth notice is the motive of building house of FHs in Wanshan is stronger, and the motive of business in Yanhe is stronger. The phenomenon reflected by data of each county is related to local economic and living circumstance.

Table 25: Saving motive of sample FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Future's living	36.81	32.5	33.33	40.83	39.17	35.83	39.1

Purchase means of production in next year	12.64	9.17	10.83	14.17	14.17	15.83	11.6
Build house	12.78	23.33	13.33	10	9.17	7.50	13.3
Children's education	54.17	56.67	53.33	44.17	56.67	53.33	60.8
business	8.75	7.5	10	16.67	6.67	6.67	5.0
Repay borrowing	4.44	7.5	2.5	1.67	5.83	5	4.1
Buy large household electrical appliances	1.53	-	-	-	0.83	3.33	5
others	4.03	5	3.33	1.67	3.33	5.83	5

4. Saving capability of FHs is limited.

In order to understand the saving scale of FHs, questionnaire involves the question of saving deposit outstanding at the end of 2004. And in order to obtain true information, questionnaire only provides the range to choose^⑧. In total samples, saving deposit outstanding of 46.39% FHs is below 1000Yuan^⑨, FHs whose saving deposit outstanding is above 10000 Yuan is only about 4.03%^⑩, and 20.56% FHs made no choice or chose the alternative of without saving (Table 26).

Table 26: Saving deposit outstanding of sample FHs at the end of 2004 (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
<1000 Yuan	46.39	50	47.50	43.33	44.17	45	48.33
1000—3000 Yuan	15.42	15	14.17	15	12.5	20	15.83
3000—5000 Yuan	8.75	10	4.17	8.33	10	7.5	12.5
5000—10000 Yuan	4.86	2.5	5.83	8.33	4.17	5	3.33
>10000 Yuan	4.03	2.5	4.17	4.17	3.33	4.17	5.83
No choice [□]	20.56	20	24.17	20.83	25.83	18.33	14.17

Note: □ FHs with no choice express they have no saving deposit.

(II) Source of Production Funds of Farm Households and Choice of Credit Channels

1. FHs tend to use self-accumulation to develop farm production, but loans are also an important source.

Borrowing intention of FHs can be seen from the analysis of sources of start-up funds that FHs use to develop their production and operating activities. In total samples, 48.75% FHs chose to rely on self-accumulation (The answers can be chosen more than once.); 43.19% chose to rely on the loans of RCCs or banks (RCC takes a leading rank); 28.06% chose to borrow from relatives and friends, none of them chose to borrow from usurious organizations (or moneylender). It proves that the financing behaviour of FHs for starting and developing production and operation is rationale. At the same time, some FHs have the experience in borrowing from moneylenders when they need funds, but they must be prudent borrowing from usurious organizations when they consider the funds for production and farm operation activities. The conclusion reflected by each sample county is in line with this, but has certain difference, which reflects the difference of liability consciousness of FHs (see Table 27).

Table 27: Source intention of start-up funds of production and operation activities of sample FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
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^⑧ Because saving deposit outstanding is the secret information of a family, to this kind of question, FHs tend to disclose conservatively, so the obtained data may be lower than actual ones.

^⑨ We think it is possible that the proportion is over-estimated, because the traditional idea that the fortune should not tell the outsider makes many FHs not want to tell the true saving deposit outstanding, so they usually choose the low value.

^⑩ In the survey of FHs in Ningxia and Zhejiang in July, 2003, research group found the proportion of FHs whose saving deposit is above 10000 Yuan is 20 % or so, which is higher than this ratio largely. It is relevant to the whole economic level of Guizhou.

self-accumulation (saving)	48.75	36.67	39.17	44.17	48.33	59.17	65.00
loans from banks or RCCs	43.19	51.67	38.33	41.67	45.83	40.00	41.67
borrow from relatives and friends	28.06	31.67	31.67	22.50	20.83	31.67	30.00

2. External Financing channels: RCC and relatives & friends.

In the survey of intention of borrowing channels of FHs (Table 28), we find that in sample FHs, 47.36% want to borrow from RCCs, 57.22% select the alternative of borrowing from relatives or friends, the other channels used relatively little. Especially be worth notice that in the whole sample (720 FHs), only 11 FHs select to borrow from ABC or other banks. In fact, big state-owned commercial banks has weak ability to providing credit funds to scattered FHs, so FHs lack credit will to them. From this, it can indicate that in these areas, RCCs take important position in the credit choice of FHs. Debraj Ray (2002) pointed out in the analysis of rural credit market that the rural credit demand can not meet sufficiently by big financial institutions such as commercial banks, because “the micro information needed by micro and small business can not make these big organizations cover market validly”. In addition, borrowing intention of FHs from informal financial organization or moneylender is low. In order to meet emergency, minority of FHs chose the above alternative to obtain funds. The basic conclusion of each sample county is identical with this. Due to the difference of credit business for FHs of RCC in each county, the choice of RCC and relative and friend has a little difference. In the regions that microfinance of RCC developed better, FHs would rather to borrow from RCC.

Table 28: Borrowing channels of sample FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
borrow from ABC	1.39	2.5	1.67	0.83	1.67	1.67	-
borrow from RCC	47.36	55	40	48.33	50.83	40	50
Borrow from other banks	0.14	-	-	-	0.83	-	-
Borrow from informal financial orgnization	0.14	0.83	-	-	-	-	-
borrow from relatives or friends	57.22	57.5	63.33	55.83	51.67	60.83	54.17
Borrow from moneylender	0.69	0.83	-	0.83	0.83	0.83	0.83

Note: The answers can be chosen more than once.

(III) Credit Demand of Farm Households and its Situation of Satisfaction

1. The credit demand of FHs from formal financial institutions exist in general, and that of middle and low incomes is especially prominent.

In 720 sample FHs, 83.89% need to borrow from banks or RCCs, only 16.11% need no loans. Further analysis of FHs in different income group shows that in low income group, 87.8% have credit demand; in middle income group, the proportion is 83.88%; and high income group, it decreases to 77.12%, which indicates that in spite of income is high or low, FHs have credit demand. Just the FHs need no loans are mainly high income group, and the credit demand of middle and low income ones is more prominent, which is connected with family income closely. When a family can not meet its demand of production and living relying on self-accumulation, it is inevitable to search external support of funds. (See Table 29).

However, the further analysis of 116 FHs who indicated no need for loans, indicates that only 80 FHs chose the alternative “Without living difficulty, and own funds can meet present production need”; 4 FHs chose the alternative “Want to loan but without good development project” (having potential demand); 14 FHs “Have other more convenient funds sources (informal channel)”; 17 FHs chose “others” (of which, part having potential demand). It is obvious that FHs who don’t need loans indeed because their own funds can meet their need is fewer, and the credit demand coverage of FHs is about 88.89% . This proportion is lower than that of Tongren, Jiangkou, Shiqian and Yuping a little.

Table 29: Credit demand of sample FHs

Considering the reason FHs do not need loans, credit demand coverage = $(720-80) / 720 * 100 = 88.89\%$.

	Need loans		Not need loans	
	Number of households	Proportion to total sample%	Number of households	Proportion to total sample%
Total sample	604	83.89	116	16.11
Of which: Up-grade income	91	77.12	27	22.88
Middle-grade	333	83.88	64	16.12
Low grade	180	87.80	25	12.20

Table 30: The reason FHs select the alternative of need no loans

Items	Number of households
Without living difficulty, and own funds can meet present production need	80
Want to loan but without good development project	4
Have other more convenient funds sources (informal channel)	14
others	17

2. There is certain coverage of loans for FHs of formal financial institutions, but the credit demand of more FHs having demand can not be met.

In 682 valid samples answered the question of whether have ever obtained loans from banks or RCC, 34.46% (235 FHs) have never; and 65.54% (447 FHs) had ever obtained the loans from banks or RCCs (mainly from the latter), RCC played the role of main force to meet credit demand of FHs. However, we also find there is correlation between credit attainability and family income of FHs, and credit attainability of different income group is different. The proportion of FHs having ever got loans in up-grade income group is 77.98%, and it decreases in middle-grade and low-grade income groups in turn, the proportion is 68.8% and 52.53% respectively (see Table 31). In low-grade income group, the credit demand of almost half FHs having credit demand can not be met. The data of each sample county shows there is a little difference in the situation of FHs who obtained loans from formal financial institutions in each county, the proportion of FHs in Yanhe is low, only 56.14%, but in Yinjiang, it is high, up to 71.17% (see Table 32).

Table 31: Conditions that sample FHs got loans from banks or RCCs

	Got no loans		Have ever got loans	
	Number of households	Proportion to that income group %	Number of households	Proportion to that income group %
Total sample	235	34.46	447	65.54
Of which: Up-grade income	24	22.02	85	77.98
Middle-grade	117	31.20	258	68.80
Low-grade	94	47.47	104	52.53

Table 32: Conditions that sample FHs in each county got loans from banks or RCCs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
No	34.46	31.86	40.71	43.86	29.31	32.17	28.83
Yes	65.54	68.14	59.29	56.14	70.69	67.83	71.17

3. A correlation exists in whether to pay shares of RCC and whether to get loans from RCC

To serve members is one of the purposes of RCC. Although the nature of cooperative of

China RCC is controversial, there is certain relation between paying shares of RCC and getting loans from RCC. Table 33 shows the status FHs paid shares of RCC, in total samples, the proportion of FHs paid shares of RCC is 61.39%, and there is difference in each county, the highest rate is 74.17% (Yinjiang), the lowest is 40.83% (Yanhe). Contrast with Table 32, we find that the proportion of FHs who had ever obtained loans in Yinjiang is also the highest, and that of Yanhe is the lowest also. It proves the relation exists between them. Combining whether paid shares of RCC with whether got loans from RCC, analysis shows in 447 (356+91) FHs had ever got loans, only 91 are not the shareholders of RCC; and in 442 FHs (Taking 61.9% of total 720 surveyed samples) who are shareholders of RCC, 356 had obtained loans, only 68 FHs had never got loans, of which, 43 FHs are because of not applying loans (Table 34), hence, we say there exists stronger correlation between them. In fact, the information got from interviews also shows in the disbursement of loans for FHs, paying share has ever become an important condition to get loan. We find, in 442 FHs who are shareholders of RCC, the share capital of 19% (54+30) FHs were withheld when they borrowed from RCC, which is mandatory or compelled actually, and unwilling. At the same time, In FHs paying shares in cash, about 30% paid before the application of loans (Figure 11). It is the compulsory of paying shares that caused part FHs withdraw shares after they repaid loans.

Table 33: Pay shares of RCC of sample FHs (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	61.39	71.67	60.83	40.83	52.50	68.33	74.17
No	38.61	28.33	39.17	59.17	47.50	31.67	25.83

Table 34: Correlation between paying shares and getting loans (Households)

		Have ever got loans or not	
		Yes	No
Pay shares or not	Yes	356	68
	No	91	-

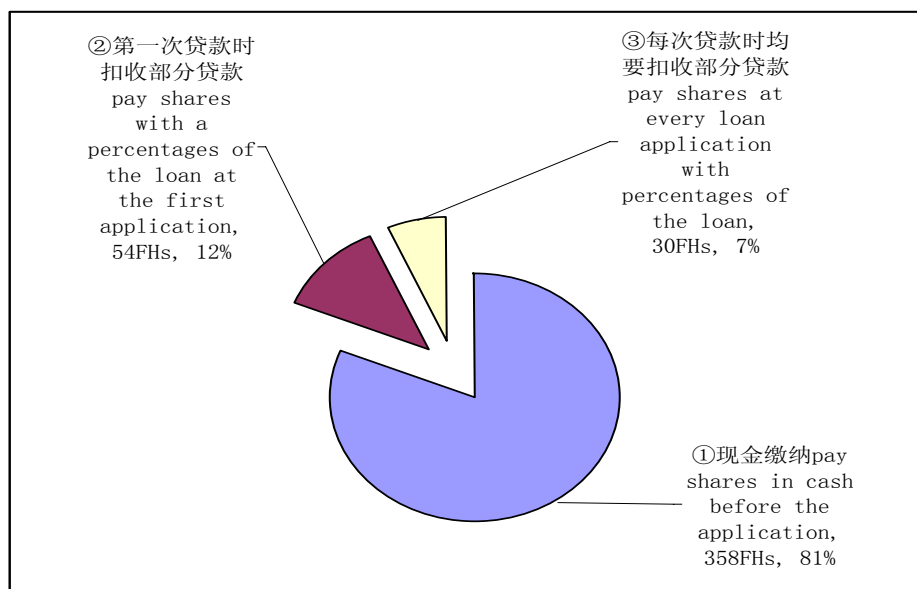


Figure 11: Pattern of paying shares of RCC of 442 sample FHs

(IV) Farm Household Knowledge of RCC Microfinance

1. FHs have certain understanding about RCC microfinance, but the knowledge degree of each county has difference.

In China, RCC microfinance began from 2002 improved the attainability of loans for FHs greatly, and resolved the financing difficulties of FHs to a certain degree, which has obtained a common understanding in China financial field. However, as to surveyed region, the knowledge degree of FHs on microfinance is different. Analysis of sample FHs shows among total samples, 94% FHs knew that local RCC developed microfinance, indicating most of them gained some understanding to RCC microfinance, the cognition degree of FHs on microfinance is high in general. But, as to each sample county, the knowledge degree of FHs on microfinance has some difference, the knowledge degree of FHs in Songtao is relatively lower (Table 35).

Table 35: Know local RCC developed microfinance or not (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	94	90.76	89.17	95.83	95.83	96.61	95.83
No	6	9.24	10.83	4.17	4.17	3.39	4.17

2. Proportion of FHs rated credit rating and given credit size is not high and the difference of each county is large.

Credit rating and giving credit size is the base of microfinance for FHs. But, the development degree of credit rating and giving credit size in each county is different, which we have understood from Table 4 provided by RCC. Nevertheless, from the angle of FHs, we learned the different information from Table 4. Table 36 shows among total samples, FHs made credit rating and given credit size by RCC take only 37.54% of total samples (256 FHs); above 60% FHs were not made credit rating and given credit size. On the contrary, information from angle of RCC shows the proportion of FHs made credit rating and given credit size is higher than the above-mentioned datum. At the same time, according to the data from each sample county, the situation of credit rating and giving credit size of microfinance for FHs has greater difference in each county, the highest rate of giving credit size is beyond 50% (It is 57.89% and 53.45% in Sinan and Yinjiang respectively.); the lowest rate is 22.03% (Dejiang). The difference in regions is related to the knowledge of microfinance. Although many theoretical and demonstrated research ((Debraj Ray), 2002; HE Guangwen,2002; LILili, 2005; LIANGShan, 2003; YANGJiacai,2003, etc.) show the institutional and mechanism performance of microfinance for FHs are notable, Knowledge of RCC Microfinance in each county has great difference, so the enforcing strength of business has marked difference.

Table 36: RCC made credit rating for your family and gave credit size or not? %

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	37.54	44.04	23.85	23.93	22.03	57.89	53.45
No	62.76	55.96	76.15	76.07	78.81	42.11	46.55

3. The average loan size obtained by FHs is smaller; difference among each sample county is larger.

According to the credit size giving to FHs and its satisfaction, we can see that in the 254 valid samples given credit size (Table 37), the proportion of credit size of 5000 Yuan or below is 48.43%, 5000~10000 Yuan, 38.58%, 10000~30000 Yuan, 12.99%, and none above 30000 Yuan. As to situation of each sample county, the difference is large. The range of credit size in Dejiang concentrates on 5000 Yuan or below, taking 92.31% (Of which, the proportion of FHs whose credit size is 3000 Yuan or below is 53.85%). Combining with the rate of giving credit in Table 36 to analyze, we find the rate of giving credit in Dejiang is low, and credit size concentrates on lower range; be opposite, the range of credit size in Songtao concentrates on 10000~30000 Yuan, taking 46.15%, and similarly Combining with the rate of giving credit in Table 36 to analyze, our conclusion is the rate of giving credit in Songtao is low, but its credit size concentrates on higher range.

Table 37: Credit size distribution of 254 sample FHs given credit size (%)

Range of credit size	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
≤5000	48.43	52.08	42.31	42.86	92.31	44.62	36.07
5000~10000	38.58	45.83	11.54	39.29	7.69	43.08	52.46
10000~30000	12.99	2.08	46.15	17.86	0.00	12.31	11.48

4. Satisfaction of loan demand of FHs is low and credit size that FHs expect is far beyond what they got actually.

FHs given credit size believe contrast with their credit demand, the satisfaction of RCC credit size is not high. From the answer to “Can the credit size FHs got meet their need”, we find that 58.72% thinks it can not meet their credit need, only 41.73% thinks it can. Difference exists in each county, the satisfaction of FHs in Yanhe (credit size concentrates on high-level range) is the lowest, only 28.57%; the satisfaction of FHs in Dejiang (credit size concentrates on low-level range) is the highest, up to 53.85% (Table 38). This difference shows the level characteristic of credit demand of FHs is notable. Credit demand of low-level group can be met under current credit size, while that of high-level group is higher and exceeds current credit size, so rural financial supplier should fully consider this when they design credit products for customers on different level.

Table 38: Can the credit size FHs got meet their need? (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
No	58.27	66.67	65.38	71.43	46.15	47.69	59.02
Yes	41.73	33.33	34.62	28.57	53.85	52.31	40.98

The answer to maximum credit size FHs expect provides reference to the design of microfinance size. In fact, the expecting credit size of FHs is their credit demand. Contrast with the distribution of credit size given by RCC, which range of credit size concentrates on 10000 Yuan or below, and has no one above 30000 Yuan, range of maximum credit size FHs expect is 3000~200000 Yuan. Of the 149 FHs made selection only 1 FH chose the alternative of 3000 Yuan or below, while those chose 10000~30000 Yuan and above 30000Yuan are 54 and 56 FHs respectively. Credit size that FHs expect is far beyond what they got actually (Figure 12) shows there is great gap between credit size financial supplier designed and actual demand of FHs. According to each sample county, except the feature in Dejiang is in consistent with that of total samples, the other counties have the same feature with total sample. For the sample FHs in Dejiang, maximum credit size that FHs expect is close to what RCC designed, so the satisfaction for credit size of sample FHs in Dejiang is high (Table 39).

Table 39: Distribution of credit size sample FHs expected (%)

Range of credit size	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
≤3000	0.67	-	-	5	-	-	-
3000~5000	6.71	6.06	-	10	33.33	6.45	-
5000~10000	18.79	15.15	23.53	10	41.67	19.35	16.67
10000~30000	36.24	36.36	29.41	20	16.67	38.71	52.78
>30000	37.58	42.42	47.06	55	8.33	35.48	30.56

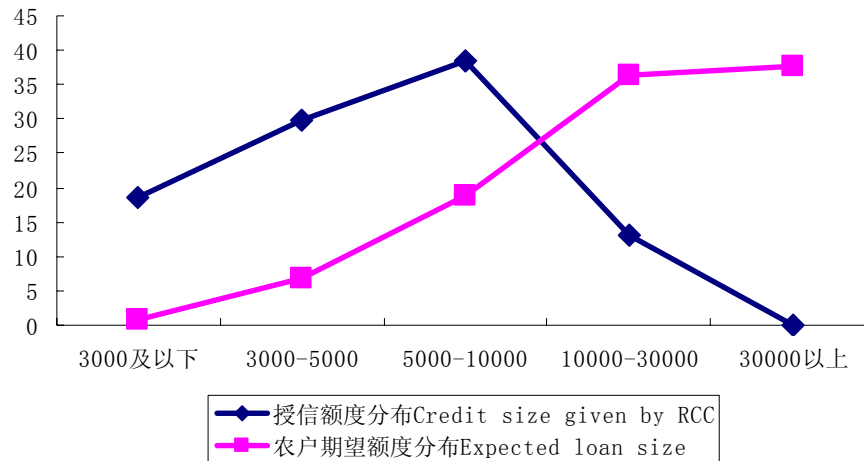


Figure 12: Contrast of expected loan size of FHs and credit size given by RCC

5. The attainability of formal financial credit of FHs increases.

From the judgment on difficulty degree of loans to see, the development of microfinance for FHs in recent years has positive role to obtain loans of FHs, the attainability of loans from formal financial channel increased. Among total samples, nearly half FHs (48.61%) think getting loans become easier than before. The judgement on difficulty degree of loans of FHs in each county has a little difference. Proportion of FHs in Wanshan, Dejiang, Sinan and Yinjiang who think getting loans become easier than before is above 50%, and in Songtao, proportion is only 1/3. This difference among counties is related to business development of local RCC greatly, in the area where the relation between RCC and FHs is intimate and beneficial cycle funds can be formed, FHs have good reflection.

At the same time, the development of microfinance for FHs cultivates the modern credit consciousness of FHs. In the judgment on decisive factors of obtaining loans (see Table 40), repayment capability of a family ranks first, 73.57% sample FHs agreed with it; next are having reliable relation with RCC (25.37% FHs agreed.), individual credit (24.62%), mortgage and guarantee (20.23%). FHs in each county basically approve above factors. Repayment capability of a family ranks first, the other factors have a little difference in order, for example, in Yanhe and Dejiang, FHs think having a reliable relation with RCC is very important (32.77% and 35% FHs approve), and 30% FHs in Wanshan think mortgage and guarantee are very important. It proves although to decisive factors obtaining loans, cognition of most FHs is identical with funds supplier, the reliable relation with RCC is still regarded as one of important decisive factors by FHs.

Table 40: Judgment of FHs on decisive factors of obtaining loans (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
repayment capability of a family	73.57	69.17	74.17	75.63	73.33	77.5	71.67
individual credit	24.62	25.83	16.67	14.29	20.83	35	35
mortgage and guarantee	20.03	30	24.17	10.08	5.83	27.50	22.5
having reliable relation with RCC	25.73	27.5	23.33	32.77	35	15	20.83

Note: The answers can be chosen more than once. Here are the distributions of alternatives chosen at the most.

6. To the information on RCC loans in their village, knowledge of FHs is inconsistent, but from which we can see coverage of loan for FHs increases in some extent.

The development of microfinance for FHs increases the coverage of loans for FHs, but the data in most research at present are from suppliers. Our survey involves the data of

coverage of loans for FHs coming from demanders. To the judgment on “proportion of FHs in this village getting loans from RCC”, information provided by sample FHs is scattered, rate of loan coverage focuses on 25%~50% (25.69% data in this range), 17.92% think the rate of loan coverage is 50%~75%. From these data, we can conclude the development of microfinance for FHs plays great role of increasing the attainability of loans for FHs.

7. Cognition degree of FHs on group lending is lower.

FHs still lack the cognition on group lending, only 11.4% (there are 82 FHs of total 719 samples) heard of group lending, and in 708 valid samples, only 8 FHs have ever got group lending. The enthusiasm of FHs for joining group of lending is not high, only 38.56% FHs express the will of joining group and applying loans for RCC, the other 61.44% FHs express they do not want to join group lending. The main reason is that FHs are afraid they will be involved by the other members of the group because of their losing credibility. In 427 FHs not want to join group, 309 chose the alternative. But this can not be explained simply by losing credibility among FHs. Of which, an important reason is FHs are not optimistic about each other’s repayment expectation. It is because of the uncertainty of expectation on future income causes the organizing difficulty of lending group.

(V) Informal Credit Exists in Greater Degree

1. Except banks and RCC, there has organized informal credit in local area.

35.56% sample FHs know except banks, RCC, there has organized informal credit in local area. Obvious difference exists in each county: the informal credit activities in Sinan and Dejiang are active, 58.33% and 57.98% FHs know except banks, RCC, there has organized informal credit in local area; in Songtao, organized informal financial activity is rare, only 1 FH knows there has informal credit in local area.

2. The interest rate of informal credit is higher in general.

According to the information on informal credit provided by 238 valid samples to the question of “the interest rate of informal credit you know”, we find the interest rate difference of informal credit is large (see Table 41). Proportion of 40~60% interest rate is the highest, that of 100% is up to 23.11%, below 20% interest rate takes only 5.88%. The interest rate of informal credit is far higher than that of regular commercial credit market. According to the definition of usurious loan by PBC, 40% interest rate should be usurious loan, so FHs bearing usurious loan take 80.67% of total sample FHs.

Table 41: Interest rate distribution of informal credit from FHs

Range of interest rate	FHs	Proportion %		Legitimizing of interest rate
≤20%	14	5.88	19.33	Within the legal approved range
20~40%	32	13.45		
40~60%	112	47.06	80.67	Belong to the range of usurious loan defined by PBC
60~80%	9	3.78		
80~100%	16	6.72		
>100%	55	23.11		

3. FHs borrowed fewer from usurious loan, and the purpose of FHs borrowing from usurious loan is to make up the shortage of other channels.

From the selection of FHs to the question of “whether borrowed usurious loan”, the proportion of FHs borrowed usurious loan is not high, only 13.51%. But the difference in each county is large: only 2 FHs in Songtao had ever borrowed usurious loan, taking 1.67%; oppositely, the proportion of sample FHs had ever borrowed usurious loan in Dejiang is up to 34.17% (41 FHs) (Table 42). It is identical with the above knowledge of local informal credit of FHs and the situation that the rate of giving credit for FHs in Dejiang is the lowest, credit size focuses on 3000 Yuan or below. Under the circumstance of difficult to get loans from formal channels, FHs only seek informal credit channel to meet their credit demand.

At the same time, the reason that sample FHs chose usurious loan is mainly because they can not get loans from banks or RCC, or the loans can not meet their need; next is the

simple and convenient procedure of informal credit. It proves informal credit plays role in sample region as the supplement of formal finance. What's more, the main usage of funds from usurious loan is not productive; the usurious loan for productive usage is few.

Table 42: Situation of usurious loan sample FHs had ever borrowed (%)

Borrow usurious loan or not?	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	13.51	3.39	1.67	10.83	34.17	22.50	8.33
No	86.49	96.61	98.33	89.17	65.83	77.50	91.67

(VI) Borrowing Behavior of Farm Households since 2002

The analysis of borrowing behaviour of FHs since 2002 can further reflect the credit demand of FHs and its situation being met.

1. The ratio that sample FHs got borrowing is high, and the dependence on external funds is large.

For 720 sample FHs who answered the question of "Whether borrowed money in 2002~2005?", 77.5% (558FHs) say "yes"; 22.5% "no". A little difference exists in each county, the proportion of FHs borrowed in Sinan is the lowest (70%); Dejiang is the highest (84.17%) (see Table 43). It proves FHs relied on external funds greatly.

Table 43: Borrowing behaviour of FHs in 2002~2005 (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
<input type="checkbox"/> Yes	77.5	82.5	74.17	74.17	80	70	84.17
<input type="checkbox"/> No	22.5	17.5	25.83	25.83	20	30	15.83

2. RCC, relatives and friends are the main channels FHs get loans.

In 2002~2005, of 720 sample FHs, there are 1120 credit behaviours take place totally, of which, borrowing from RCC, relatives or friends takes a leading rank (Table 44). In total 1120 borrowings, 619 loans come from RCC, taking 55.27%; 459 from relatives and friends, taking 40.98%; only 42 from ABC, other banks or other channels, taking 4.15%. It proves that RCC, relatives and friends are the main channels FHs get external funds, and RCC takes very important place in external financing of FHs, which is different from the traditional opinion or judgment. Traditionally, it is difficult for FHs in poverty regions to get credit support from formal financial channel. However, from the information on sample FHs, we draw the conclusion that in poverty regions, the main channel FHs get external funds is RCC, that is to say, the formal financial institution. For this, the more reasonable explanation is: on one side, RCC is the main (even the unique) supplier in rural financial field sample FHs live in, whose customers are mainly FHs, and fewer rural enterprises, there is natural relation of dependence each other between RCC and FHs; on other side, which is also the main reason, since 2002, advocated by PBC, RCC carried out microfinance in an all-round way, it is the business innovation increases the attainability of loans for FHs greatly.

Table 44: Borrowing sources of sample FHs since 2002

Borrowing source	First borrowing	second	third	fourth	fifth	Total	proportion (%)
RCC	319	185	86	25	4	619	55.27
ABC and other banks	4	2	1	1	-	8	0.71
Relatives and friends	220	149	72	15	3	459	40.98
Others (including informal credit with high interest)	13	13	5	2	1	34	3.04
Total	556	349	164	43	8	1120	100

3. Credit size FHs got is small in general, which is far away from what FHs expect.

From the credit size of FHs (Table 45), in the total 1120 borrowings, credit size of 838 FHs is 5000 Yuan or below, taking 74.82%; 164 is 5000~10000 Yuan, taking 14.64%; only 118 is above 10000 Yuan, taking 10.54%. Contrast with Table 39, we can find the actual amount of borrowing is far away from the credit size FHs expects.

Table 45: Credit size of sample FHs since 2002

Credit size	First borrowing	Second	Third	Fourth	Fifth	Total	Proportion %
≤5000	401	267	133	31	6	838	74.82
5000~10000	86	57	15	6	-	164	14.64
10000~30000	59	21	13	2	2	97	8.66
≥30000	10	4	3	4	-	21	1.88
Total	556	349	164	43	8	1120	100

4. Credit period is short which is disadvantage of forming long-term production capacity.

From the actual credit period of sample FHs (Table 46), the period is mainly 1 year or below. Of 646 valid samples, credit period of 143 is 6 months or below, taking 22.14%; 451 is 6~12 months, taking 69.81%; and only 52 is above 1 year, taking less than 10%. Short-term borrowing made FHs can not input funds into long-term production; it can only resolve the shot-term, seasonal, temporary funds need.

The analysis of borrowing usage proves the above-mentioned conclusion. The borrowing funds are mainly used to buy farm materials and pay children's tuition (which is seasonal funds need). Next usage is buying poultries, which can be taken back in a year, moreover, from the reality of rural economy in poverty area to see, breeding is also one of the main sources of cash income of FHs, its industry threshold to enter is low, which makes most FHs engage in possibly. Thirdly, borrowing funds are used to build houses and see doctors, because house is the main wealth FHs owe, for most FHs, part funds building house needs always come from external; and seeing doctors is temporary and accidental expenditure, too. At the same time, we noticed the usage of borrowing funds scattered and diversified.

Table 46: Actual credit period of sample FHs

credit period	First borrowing	Second	Third	Fourth	Fifth	Total	Proportion %
≤6 months	63	43	25	8	4	143	22.14
6~12 months	247	137	51	14	2	451	69.81
12~24 months	15	10	9	3	-	37	5.73
≥24 months	6	4	3	2	-	15	2.32
Total	331	194	88	27	6	646	100

Table 47: Usage structure of borrowing of sample FHs since 2002

Usage of borrowing		First borrowing	Second	Third	Fourth	Fifth	Total	Proportion%
Planting and breeding	buy farm materials	101	84	48	8	1	241	36.73
	buy poultry	80	49	27	8	1	164	
	buy farm machinery	14	6	4	-	-	24	
Industry and commerce		60	28	13	4	-	105	8.99
Living	see doctor	68	40	18	4	1	130	25.68
	weddings and funerals	29	6	2	1	-	38	
	build house	76	40	13	3	-	132	
tuition for children		96	80	43	16	3	235	20.12
others	repay the other borrowing	4	5	1	1	-	11	8.48
	go out for work	2	2	1	-	-	5	
	others	48	28	6	1	1	83	

5. Proportion of borrowing with free interest is high, interest rate of borrowing with

interest focuses on the floating range PBC permits, and usurious loan is fewer.

Analyze the actual interest rate of loans for FHs, in total 1120 loans, 525 are loans with free interest, taking 46.88% of total valid samples; 595 are borrowing with interest, taking 53.12%. In view of the interest rate of loans with interest, we find most interest rate of borrowing are in the floating range PBC stipulates , taking 94.12% of total borrowing with interest, of which, the borrowing with interest rate floating upward by 30~50% on the basis of benchmark is the most, and 242 loans take 40.67%. In addition, 0.84% is in the limitation of 4 times of benchmark PBC permits; only 5.04% is beyond the limitation of 4 times of benchmark PBC permits, belonging to usurious loans. Thus, it proves the acceptance of interest rate of borrowing by FHs is rational. The most important reason is that FHs do not borrow usurious loan for productive need in general because of the long productive cycle.

Table 48: Interest rate distribution of borrowing of FHs

Interest rate of borrowing		First borrowing	Second	Third	Fourth	Fifth	Total	Proportion %
Borrowing with free interest		258	168	79	17	3	525	46.88
Borrowing with interest	Total	298	182	85	26	4	595	53.12
	≤5.58% (benchmark)	7	8	3	3	-	21	3.53
	5.58%~7.254% (float upward by 30%)	50	18	2	1	-	71	11.93
	7.254%~8.37% (float upward by 50%)	129	72	32	8	1	242	40.67
	8.37%~9.486% (float upward by 70%)	31	22	14	7	-	74	12.44
	9.486%~11.16% (float upward by 100%)	62	49	27	4	2	144	24.20
	11.16%~12.834% (2.3 times)	4	2	2	-	-	8	1.34
	12.834%~22.32% (4 times)	1	3	1	-	-	5	0.84
	≥22.32%	14	8	4	3	1	30	5.04

6. FHs can only provide fewer mortgage or guarantee, which is related to their weak capability of mortgage & guarantee.

According to credit security of loans for FHs (Table 49), most FHs obtained loans without collateral or pledge. Of 1097 valid answers about whether need mortgage, 1006 have no mortgage, taking 91.7%. The analysis of 91 mortgage loans shows 75 mortgaged the houses,

In 2003, RCC interest rate of loans can float 70~100%. Since January 1, 2004, on the basis of benchmark PBC stipulates, the upper limit of floating range of RCC interest rate of loans enlarged to 2 times of benchmark. Since October 29, 2004, central bank raised the interest rate benchmark of deposit and lending of financial institutions, and enlarges the interest rate floating range of RMB lending further. The interest rate benchmark of one year deposit of financial institutions raised 0.27%, from current 1.98% to 2.25%; that of one year lending raised 0.27%, from current 5.31% to 5.58%. Other interest rate of deposit and lending adjusted accordingly, and the margins of medium and long-term are larger than that of short-term. In principle, the lending interest rate of financial institutions (excluding RCC and UCC) will not be set up ceiling, and its margins of floating downward unchanged, floor of lending interest rate is still 0.9 times of benchmark. To lending interest rate of RCC and UCC, because their financial competitive circumstance is incompletely, central bank still implements ceiling management, the highest coefficient of floating upward is 2.3 times of benchmark, and margins of floating downward unchanged. Take the benchmark interest rate of one year lending after adjustment (5.58%) as example, RCC and UCC can determine their lending interest rate in the range of 5.02%~12.83% for themselves.

taking 82.42%. But in fact, the houses of rural residents do not have complete legal documents and house property certificate, even having, its ability changing into cash is weak, so this kind of mortgage is only a form. Of 1042 valid answers about whether need guarantee if mortgage is not, 988 samples (94.82%) answer no guarantee. In the 53 samples answered needing guarantee, 52.83% (28 samples) guarantors are relatives & friends; 35.85% (19 samples) are town and village cadres; no one adopts the form of group lending. The terms of guarantee is prior to that of mortgage, but to loans for FHs, it is obvious that relying on traditional credit patterns can not meet the demand of FHs, so the credit pattern to FHs should be further innovated.

Table 49: Credit security of loans for FHs

Mortgage or not%		Guarantee or not, if mortgage is not%	
Yes	8.3	Yes	5.18
No	91.7	No	94.82
collateral%		Guarantor%	
House	82.42	Relatives & friends	52.83
		Cadres of town or village	35.85

7. Part borrowings of FHs do not repay on maturity and default rate of borrowing from different sources is different.

Of total 1120 borrowings, 302 has the situation of not repaying on maturity, that is to say, overdue loans take place, rate of overdue is 26.96%, which is rather high. Analyze the situation of overdue loans from different sources, we find the overdue rate of loans from RCC or banks is the lowest, only 19.62%; next is borrowings from relatives & friends, whose overdue rate is 35.92%; the last is borrowings from other channels (mainly informal usurious loans), whose overdue rate is 41.18% (Table 50). Be worth noticed, FHs do not repay their borrowings on maturity is not because they want to repudiate, but because they are short of enough cash to repay. In addition, an important reason that the difference of overdue rate comes from different sources is that the restricted mechanism of loans from different sources is different. The restriction of loans coming from RCC can be seen a hard one, especially, since the development of RCC microfinance, its mechanism of serial lending made FHs know it is very important to build individual credit in RCC, so when the borrowings from two channels need to be repaid at the same time, FHs will choose to repay to RCC prior rationally. However, in the survey, we find to the borrowing from relatives & friends, or informal usurious loans, their overdue rate is higher, but the risk of bad loans is very small because of the particular of repayment restriction on the basis of relationship credit. That is to say, the restriction of repaying on maturity is weak (rate of overdue is high), but the restriction of final repaying is strong (rate of bad loans is low).

Table 50: Situation of loans not repaid on maturity of FHs

	Number of loans not repaid on maturity	Number of loans	Rate of loans not repaid on maturity
Total:	302	1120	26.96
From banks or RCC	123	627	19.62
relatives & friends	165	459	35.95
Informal usurious loan and others	14	34	41.18

8. Repayment source of FHs mainly relies on income from planting & breeding and

In most cases, if FHs do not repay the loan for one time, it means he will lose the chance to borrow from RCC afterwards. For FHs, loans based on relation can not be repaid because of repudiate, he will confront with the cost of losing credit in community---social cost is higher.

going out for work, the limitation and instability of income is the main reason that loans can not be repaid on maturity.

As to the repayment source of FHs, income from planting & breeding and going out for work is the main source. Of 628 valid samples, there are 433 (taking 58.67%) and 158 (taking 21.41%) coming from planting & breeding and going out for work respectively. But from the income situation of FHs in poverty areas to see, the income FHs obtained from planting & breeding and going out for work is very limited. Moreover, as to the family income of FHs, the stability of income from going out for work, which forms cash income, is very low, so it can affect the repayment of loans on maturity to a great extent. Analyze the reason that loans did not repay on maturity, we find the main reason is when loans is due, FHs has no money to repay, (that is to say, FHs lack the cash flow to repay the loans on maturity, it takes 89.44% of valid samples), which is related to the above-mentioned limitation and instability of income of FHs (Table 51).

Table 51: Repayment sources of sample FHs and reasons loans can not be repaid on maturity

Repayment sources	Number of samples	Proportion	Reason not repaid on maturity	Number of samples	Proportion
Project income	72	9.76	Project failure	17	5.99
Planting & breeding	433	58.67	Has no money	254	89.44
Going out for work	158	21.41	Accidental expenditure	4	1.41
Savings	9	1.22	all others did not repay	0	0.00
Borrowings	6	0.81	Do not know should to repay	2	0.70
Others	60	8.13	Others	7	2.46

(VII) Practical Credit Demand of FHs and Their Tendency

1. Practical credit demand of FHs is strong, and a little difference exists in each county.

The inquiry about whether intend to borrow at present is good to obtain the information on practical credit demand of FHs. Of total samples, almost 60% express they have intention of borrowing at present (Table 52), which shows practical credit demand of FHs is strong, and there is wide space in rural credit market. Information from each county indicates a little difference on practical credit demand of FHs exists in each county, present borrowing intention of FHs in Songtao is the highest, 68.3% sample FHs expressed this intention; and that of FHs in Sinan is the lowest, only 46.67% FHs have.

Table 52: present borrowing intention of FHs (%)

Have intention of borrowing at present?	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	59.86	53.33	68.33	66.67	67.50	46.67	56.67
No	40.14	46.67	31.67	33.33	32.50	53.33	43.33

2. Credit condition that FHs expect

(1) Loan size FHs expect is far higher than the actual ones they got. Loan size FHs expect in one time is asymmetric with what comes from suppliers. To the question of the loan size FHs expect to borrow in one time (Table 53), 36.74% FHs think it should be above 10000 Yuan (of which, 4.17% of total samples expect to borrow above 50000 Yuan in one time), 21.15% think it should be 5000~10000 Yuan. Contrast with actual borrowing, 57.59% is below 3000 Yuan, only 9.54% is beyond 10000 Yuan (of which, only 1.88% is above 30000 Yuan). From this, it is obvious that the loan size FHs expect is seriously asymmetric with current size of supply.

Table 53: Contrast loan size FHs expect with actual credit size

	FHs expect		Actual borrowing	
	Number of FHs	Proportion %	Number of loans	Proportion %
<3000 Yuan	132	23.66	645	57.59
3000~5000 Yuan	103	18.46	193	17.23
5000~10000 Yuan	118	21.15	164	14.64
>10000 Yuan	205	36.74	118	9.54

(2) Loan term FHs expect is relatively long in general. 52.68% FHs approve the short-term loans provided by suppliers (6 months and 1 year), but at the same time, almost 50% (47.32%) FHs expect the credit period can be extended to 2 years, 3 years, even 5 years or above (Table 54). In fact, it puts forward the requirement of providing long-term financing for suppliers.

Table 54: Loan term requirement of FHs

Credit period expected	Number of households	proportion%
6 months	54	9.64
1 year	241	43.04
2 years	100	17.86
3 years	99	17.68
5 years or more	66	11.79

(3) Interest rate is not the main restrictive factor whether FHs borrow. The interest rate range FHs can accept is wide. 56.93% FHs of valid samples think they can accept the interest rate floating upward by 100% on the basis of benchmark or below, of which, the highest rate of 40.51% FHs can accept is in the range of floating upward by 70~100% on the basis of benchmark. At the same time, 16.97 % FHs think they can accept the interest rate from floating upward by 100% on the basis of benchmark to 2.3 times of benchmark, 18.61% can accept that of 2.3-4 times of benchmark. In addition, 7.66% FHs will even accept the interest rate above 4 times of benchmark (Table 55). It is obvious that the interest rate range FHs can accept is wide. Contrast with the distribution of actual interest rate since 2002, we can find that interest rate is not a decisive factor restricting the development of loans for FHs. In the course of credit decision-making and confronting credit chance and interest rate of credit, FHs give more importance to credit chance. Therefore, improving the supply of rural financial market should be the centre of rural financial reform and development.

Table 55: Borrowing interest rate of FHs and their endurance of interest rate

	Highest rate per annual FHs may accepted		Actual interest rate distribution since 2002	
	Number of FHs	Proportion %	Number of loans	Proportion %
≤5.58% (benchmark)	6	2.19	21	3.53
5.58%~7.254% (float upward by 30%)	5	1.82	71	11.93
7.254%~8.37% (float upward by 50%)	24	8.76	242	40.67
8.37%~9.486% (float upward by 70%)	10	3.65	74	12.44
9.486%~11.16% (float upward by 100%)	111	40.51	144	24.20
11.16%~12.834% (2.3 times)	46	16.79	8	1.34
12.834%~22.32% (4 times)	51	18.61	5	0.84
≥22.32%	21	7.66	30	5.04

(4) FHs lack collaterals in general, so the pattern of credit FHs expected most is credit loan. In the survey of pattern of credit guarantee FHs want to accept (namely the credit guarantee of loans FHs expect or can provide), we find that of 677 valid samples (Table 56), sample FHs who can offer collateral or pledge take 26.14% (177 samples); 5.47% expect to obtain loans through the pattern of guarantee; 74.89% (507 samples) expect to get credit loans; and only 1.18% (8 FHs) expect to obtain loans through group lending. It is related to the capability that FHs provide mortgage & guarantee. On the selection of collateral, 561 FHs of 621 valid samples (taking 90.34%) chose house as collateral, which is because, in rural area, houses are main property of FHs. As to the selection of guarantor, 48.41% FHs of valid samples (597 FHs) chose relatives & friends; 43.22% chose village cadres. Be worth noticed here is in poverty area, in the relatives & friends of FHs and village cadres, those who have ability to provide guarantee for FHs are very few, so the innovation of guarantee pattern of loans for FHs will have great significance for resolving the financing difficult of FHs, and microfinance for FHs can be seen a significant innovation of guarantee pattern of loans for FHs.

Table 56: Pattern of credit guarantee FHs expect

	Number of households	Proportion %
Mortgage or pledge	177	26.14
credit guarantee	37	5.47
credit loan	507	74.89
group lending	8	1.18

(VIII) Funds Demand in the Future

1. The funds demand of FHs in the future focuses on three aspects: Enlarge the scale of planting & breeding, build houses and pay for schooling.

From the choice of the items with larger funds demand in the next 3 years (Table 57), we find that the funds demand of FHs in the future are mainly used in enlarging the scale of planting & breeding (taking 30.33%), building houses (22.75%) and paying for schooling (36.77%). The information reflected by each sample county is in line with that of total samples.

Table 57: Choice of the items with larger funds demand in the next 3 years

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
develop processing and business	12.59	13.68	16.95	16.38	7.69	8.7	12.07
Enlarge the scale of planting & breeding	30.33	32.48	32.2	31.9	31.62	33.91	19.83
Purchase large farm machinery	1.14	3.42	2.54	-	0.85	-	-
Build houses	22.75	34.19	20.34	12.93	17.95	20.87	30.17
Repay the borrowing	8.15	5.13	3.39	6.9	14.53	11.3	7.76
Pay for schooling	36.77	30.77	37.29	37.07	38.46	39.13	37.93
others	15.59	12.82	14.41	13.79	18.80	15.65	18.1

2. Most FHs can not meet their funds demand in the future by their own funds.

Of the valid samples of judgement on funds demand in the future by FHs (717 FHs), 74.62% FHs (535 FHs) can not be met with their own funds, of 534 FHs, 56.74% think they can borrow from RCC or other banks, and the other 43.26% can not, as to FHs can not borrow from RCC or banks, in 234 valid samples, 146 FHs (taking 62.39%) express they can borrow from other channels. Alternative channels include relatives, friends or neighbours and informal credit organization, of which, relatives, friends or neighbours are the main channels to borrow. But in valid samples (150 FHs) answered the question of "Can borrow from private moneylender?", 92.67% (139 FHs) express they can (Table 58), and the credit size they expect focuses on below 5000 Yuan. It proves FHs have no choice but to seek the support of external funds from formal or informal finance when their own funds can not meet their needs.

Here, we do not discuss whether house of FHs can be mortgaged and its value of mortgage.

Table 58: Expectation of funds sources to meet demand of FHs in the future

	Can own funds meet demand?		If not, can borrow from banks or RCCs?		If not, can finance from other channels?		Can borrow from private moneylender?	
	FHs	Proportion	FHs	Proportion	FHs	Proportion	FHs	Proportion
Yes	182	25.38	303	56.74	146	62.39	139	92.67
No	535	74.62	231	43.26	88	37.61	11	7.33

(IX) Credits among Farm Households

1. Credits among FHs are relatively widespread.

Theoretically, the specific forms of rural informal finance are more. Of which, a common phenomenon is informal credit, and it is more widespread. In the survey of sample FHs, we find 67.32% FHs express they had no lending behaviour since 2002. Samples in each county show the most lending behaviour takes place in Yinjiang, where almost 40% sample FHs have lending behaviour; the fewest takes place in Songtao, only 24.37% have lending behaviour since 2002 (Table 59). The lending objects of FHs are mainly relatives, friends or neighbours.

Table 59: Lending behaviour of sample FHs since 2002 (%)

	Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Yes	32.68	27.97	24.37	35	32.5	37.5	38.66
No	67.32	72.03	75.63	65	67.5	62.5	61.34

2. The security degree of creditor's rights formed in the credits among FHs is lower, and the arrear often occurs. Moreover, credits among FHs are free interest basically.

From the security of lending behaviour of FHs to see (Table 60), FHs taking 95.73% of valid samples have no IOU; 98.72% lending have no guarantee or mortgage; and 98.72% lending are free interest. Although the security degree of lending is weak, the recovery rate of lending on time is not low, and the lending taking 73.19% of valid samples can take back on time. Be worth noticed is, as mentioned above, even 26.81% lending can not take back on time, its rate of bad loans is low. The credit period of lending has not been stipulated strictly, but most of lending can take back when FHs need money. Of 129 FHs have lending money not taking back at present, the average amount of lending is 3768 Yuan, and focuses on 3000 Yuan or below (97FHs).

Table 60: Security degree of lending behaviour of Farm Households (%)

	IOU	Guarantee or collateral		Interest	Taking back on time
Yes	4.27	1.28	Yes	1.28	73.19
No	95.73	98.72	No	98.72	26.81

(X) Insurance of Farm Households

The development of rural insurance has very important significance to stabilize the income of FHs, improve the viability of FHs, especially those in the underdeveloped areas, increase their creditability, and so on.

1. Insurance demand of FHs is larger, while the rate of insurance participation is lower.

FHs show enormous demand will for insurance. In total samples, 93.45% express their insurance demand, in each county, the proportion of FHs having insurance demand is above 90%, of which, it is highest in Yinjiang, 97.5% FHs have insurance demand will. But, according to the situation of actual participation, the rate of insurance participation is lower. In

Possible explanations are: FHs do not want to tell the actual information of lending concerned because of the reason that the fortune should not tell the outsider; Because of the underdeveloped local economy, the accumulation of FHs is very limited, so the behaviour of borrowing and lending among FHs is not widespread.

total samples, the actual rate of participation is 66.11%, far lower than participation will of FHs. In each county, the actual rate of participation in Songtao is the lowest, only 55.83%; highest in Yinjiang, up to 80% (Table 61). The reason that there is great gap between the actual rate of participation and participation will is the strength of FHs to participate is limited, in 247 FHs who tell the reason why they did not buy insurance, 71.25% (176 FHs) are because of no money.

Table 61: Participation will of sample FHs and situation of actual participation (%)

		Total	Wanshan	Songtao	Yanhe	Dejiang	Sinan	Yinjiang
Need insurance or not?	Yes	93.45	90.76	91.67	91.67	95.83	93.28	97.5
	No	6.55	9.24	8.33	8.33	4.17	6.72	2.5
Participate insurance or not?	Yes	66.11	56.67	55.83	59.17	73.33	71.67	80
	No	33.89	43.33	44.17	40.83	26.67	28.33	20

2. Insurance participation initiative of FHs is low, the insurance types can be chosen are limited, and alienates from insurance demand.

In the survey, we find in the FHs participated insurance, only 7.97% insured voluntarily, 88.05% policy-holder insured arranged by departments concerned. The insurance type insured is student insurance , in 457 policy-holders, 412 FHs bought student insurance. At the same time, the demand for insurance types of FHs focuses on personal casualty disability insurance, medical insurance and retirement insurance.

VI. Findings and Conclusions

According to the analysis of survey of financial demand and supply of FHs in Wanshan, Songtao, Yanhe, Dejiang, Sinan and Yinjiang, we draw the conclusions which are similar to the analysis of survey in Tongren, Jiangkou, Shiqian and Yuping. These conclusions are:

(1) The approval degree of FHs to RCC in sample region is high, so the proportion of FHs being member of RCC is high. RCC is the main credit supplier for FHs in sample region. The ratio of RCC non-performing loans (NPL) is low in general, but its credit supply for FHs is insufficient, and operates at a serious overload, and relies re-lending of PBC greatly.

(2) All RCC in sample region have developed microfinance and group lending for FHs, which resolve the financing difficulties of FHs greatly. During the course of development of microfinance and group lending for FHs, RCC used the experience of NGO microfinance for poverty alleviation for reference, and combined the credit rating with the establishment of credit household and village (or town), which has propelled the cultivation of rural credit culture and improved the rural credit circumstance greatly. At the same time, RCC developed village coordinator in the course of disbursement and collection of loans, brought the role of villagers' committee into play, which overcome the information asymmetry in the credit game of FHs and RCC to some degree.

(3) Analysis of demand aspect shows loan demand of FHs mainly centralizes in meeting the need of scallized planting and breeding, and developing industry, commerce and transport, the funds demand of traditional planting and breeding is limited. In order to promote the structure adjustment of rural industry and scallization development of agricultural leading industry, government give interest subsidy to loans for scallized planting and breeding meeting the need of structure adjustment, which increases the demand of loans for FHs. But, credit size for FHs of RCC is low, the important reason is the authority of credit examination and approval of RCC on basic level allocates improperly.

(4) Traditional industry is the main economic activity field of FHs, and their income comes from traditional industry mainly. With marked characteristic of concurrent industry, some income diversification can be seen. The status of family income and wealth is still limited, and saving capability is lower. Future's living expenditure and children's educational expenditure are the major saving motive of FHs. What's more, because RCC is the main channel to supply financial service for FHs, so it is the first chosen of FHs to deposit.

(5) FHs tend to use self-accumulation to develop farm production, but loans are also an

It is carried forward by schools, having some compulsory.

important source. The credit demand of FHs from external financing and formal financial institutions exist in general, and that of middle and low incomes is especially prominent. RCC, relatives and friends are the main channels FHs get loans. The rate of loan coverage for FHs of formal financial institutions is higher, but more FHs having credit demand can not be met. Credit size FHs got is small in general, which is far away from what FHs expect. Credit period is short which is disadvantage of forming long-term production capacity.

A correlation exists in whether to pay shares of RCC and whether to get loans from RCC.

(6) The attainability of formal financial credit for FHs increases since the development of RCC microfinance, but their knowledge degree of microfinance and group lending is low. Proportion of FHs rated credit rating and given credit size is not high; the average loan size obtained by FHs is smaller; satisfaction of loan demand of FHs is low and credit size that FHs expect is far beyond what they got actually. So informal credit is active, and the interest rate of informal credit with interest is higher in general, but FHs borrowed fewer from usurious loan, and the purpose of FHs borrowing from usurious loan is to make up the shortage of other channels.

(7) Repayment source of FHs mainly relies on income from planting & breeding and going out for work, the limitation and instability of income is the main reason that loans can not be repaid on maturity.

(8) Practical credit demand of FHs is strong, and credit size they expect is far higher than the actual ones they got, credit period they expect is relatively long in general. Because of lacking collaterals in general, so the pattern of credit FHs expected most is credit loan. Interest rate is not the main restrictive factor whether FHs borrow.

(9) Funds demand of FHs in the future focuses on: enlarge the scale of planting & breeding, build houses and pay for schooling, and most them can not meet their funds demand in the future by their own funds.

(10) Credits among FHs are more widespread and free interest basically; the security degree of creditor's rights formed in the credits among FHs is lower, and the arrear often occurs.

(11) Insurance demand of FHs is larger, while the rate of insurance participation is lower. Insurance participation initiative of FHs is low, the insurance types can be chosen are limited, and alienates from insurance demand.

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List of People Met

During the Financial Demand Study Survey between Oct.8,2005-Oct.30,2005

Guizhou Provincial Government

Rui Song	Deputy Director	Provincial RCCU
Yong Sun	Division Head	Research Department, Guizhou PBOC
Ming Xiang	Senior Research Fellow	PBoC Guizhou

Tongren Prefecture

Xiangfu Tian	Director	Tongren PBoC
Xinkang Ma	Deputy Director	Tongren PBoC
Zhongxue Zhang	Division Head	Tongren PBoC
Lusheng Jiang	Division Head	Tongren PBoC

Wanshan County

Huang	Director	Yuping PBoC
Guixiang Ye	Head of Board Committee	Wanshan RCCU
Zhixian Chen	Director	Wanshan RCCU
Xuhe Long	Head of Supervision Committee	Wanshan RCCU
Lunyu Luo	Deputy Director	Wanshan RCCU
Ping Yuan	Division Head	Wanshan RCCU
Jingping Rao	Division Head	Wanshan RCCU
Xuyuan Zhang	Director	Gaolouping Township RCC,Wanshan
Xinggao Jiang	Deputy Director	Gaolouping Township RCC,Wanshan
Zhaoxia Gou	Accountant	Gaolouping Township RCC,Wanshan
Yuanfang Liu	Director	Huangdao Township RCC,Wanshan
Deliu Xiao	Deputy Director	Huangdao Township RCC,Wanshan
Wenting Yang	Director	Xiaxi Township RCC,Wanshan
Xiuhe Yang	Credit Manager	Xiaxi Township RCC,Wanshan

Songtao County

Xiangyun Shi	Deputy Director	PBoC Songtao Branch
Changming Long	Head of Board Committee	Songtao RCCU
Xiaoheng Li	Deputy Director	Songtao RCCU
Yongjun Tian	Director	Liaogao RCC, Songtao
Guangrong Yang	Director	Beimen RCC, Songtao
Zhaojin Long	Director	Panshi RCC, Songtao
Shangcheng Zhou	Director	Waxi RCC, Songtao
Xialin Zhou	Accountant	Waxi RCC, Songtao

Yanhe County

Gang Qiao	Deputy Director	PBoC Yanhe Branch
Yafei Yang	Division Head	PBoC Yanhe Branch
Quan Chui	Head of Board Committee	Yanhe RCCU
Maojin Ran	Head of Supervision Committee	Yanhe RCCU
Yaning Zhang	Division Head	Yanhe RCCU
Guangpu Niu	Director	Zhongjie Township RCC
Jiaxian Zhang	Deputy Director	Zhongjie Township RCC
Yonglu Tian	Credit Manager	Zhongjie Township RCC
Yongqiang Chen	Director	Qitan Township RCC
Hao Chen	Accountant	Qitan Township RCC
Tianfei Du	Director	Heishui Township RCC
Caihua Hou	Credit Manager	Heishui Township RCC

Dejiang County

Linjun Yang	Deputy Director	PBoC Yanhe Branch
Dekai Feng	Division Head	PBoC Yanhe Branch
Hongwu Liu	Division Head	PBoC Yanhe Branch
Zhongjie Xiang	Head of Board Committee	Dejiang RCCU
Tengfei Li	Director	Dejiang RCCU
Liansheng Feng	Division Head	Dejiang RCCU
Changpeng Mu	Director	Jiancha Township RCC
Feitian Liu	Deputy Director	Jiancha Township RCC
Deng	Director	Shaxi Township RCC
Fang Liu	Accountant	Shaxi Township RCC
Zhejiang Dong	Director	Pingyuan Township RCC
Wanjin Wang	Credit Manager	Pingyuan Township RCC
He Yin	Accountant	Pingyuan Township RCC

Sinan County

Yong Zeng	Director	PBoC Sinan Branch
Zhonghai Xu	Division Head	PBoC Sinan Branch
Jiancao Tian	Head of Board Committee	Sinan RCCU
Guanghua Yu	Director	Sinan RCCU
Xiao An	Director	Tangtou Township RCC
Tiancai Li	Director	Liangshuijing Township RCC
Quanhong Zhou	Deputy Director	Liangshuijing Township RCC
Gang An	Director	Yinwuxi Township RCC
Huanjun Shen	Credit Manager	Yinwuxi Township RCC
Yong Huang	Credit Manager	Yinwuxi Township RCC

Yinjiang County

Youheng Dai	Director	PBoC Yinjiang Branch
Yong Wu	Division Head	PBoC Yinjiang Branch
Xiangqing	Division Head	PBoC Yinjiang Branch
Yongyi Long	Deputy Director	Yinjiang RCCU
Jun Ran	Director	Zhongba Township RCC
Xiangdong Li	Director	Heshui Township RCC
Shichan	Director	Chanxi Township RCC