

Rural Financial Services: Demand

Guizhou Province is located on the Yun-gui Plateau featuring mountains and hills but few flat areas. The old saying goes that the land in the province consists of 80% mountains, 10% rivers, and 10% paddy areas. The province, although rich in energy, mines, and tourism resources, is one of the poorest in the PRC. Urbanization is low as 81% of the population lives in rural areas. The average annual income per rural resident was a mere CNY1,490 (\$179.50) in 2002, the lowest in the country. One third of fiscal expenditures are from central government transfer (Table 1). The major industries are mining, energy, cigarettes, liquor, and tourism; secondary industries are underdeveloped. The agricultural sector consists of region-specific agriculture and animal husbandry. Most workers go to coastal provinces such as Guangdong and

Zhejiang; few stay in the Guizhou. Thus remittances from migrant workers have become the major source of income growth for farmers.

In July 2004, PBC organized a large field survey on the demand for and supply of rural financial services in six counties of Guizhou Province. The main purpose was to understand the behavior of rural households and rural financial institutions and household demand for credit and other financial services. This knowledge is critical for the design of future RCC pilot programs in the province and useful for improving the rural financial system in the future. The surveys targeted rural financial institutions and households. Surveys of ABC, the Agricultural Development Bank of China (ADBC) and RCCs were done by county PBC branches, and the household surveys were done by the local rural survey teams of the county statistical bureaus.

Table 1. Basic Economic Indicators: Guizhou (2002)

(In CNY100 million unless otherwise specified)

Indicators	
GDP	1,180.00
Of Which: First Industry	280.52
Second Industry	474.45
Tertiary Industry	425.13
Total Population (10,000)	3,837
Rural Population (10,000)	3,108
Rural/Total Population (%)	81
Gross Domestic Product Per Capita (CNY)	3,075
Urban Disposable Income Per Capita (CNY)	6,107
Rural Net Income Per Capita (CNY)	1,490
Provincial Fiscal Revenue	236.77
Provincial Fiscal Expenditure	331.36
Provincial Fiscal Balance	-94.59

The samples covered typical households in Guizhou (Table 2). Two of the six counties in the sample, Fenggang and Meitan are from Zunyi Prefecture which is well off. Danzhai and Taijiang counties from Qiandongnan Miao and Dong Autonomous prefectures are average. The remaining two counties, Dafang and Zhijin, are from Bijie, the poorest prefecture in Guizhou. The sample in each county was selected randomly, and within counties, a random distribution of households was assumed.

Using descriptive statistics, this report analyzes the characteristics, income, wealth, and demand for credit of the households as well as their degree of satisfaction with the supply of finances. The report also provides simple statistical analyses and recommendations for reforms of RCCs and the

overall rural financial system in poor areas of the PRC. Future work should be a further analysis of RCC survey data using more advanced statistical and econometric techniques.

Table 2.
Rural Household Survey: Sample Distribution

County	Sample Size
Fenggang	189
Meitan	120
Danzhai	178
Taijiang	180
Dafang	179
Zhijin	186
Total	1,032

Major Fund Flows in Rural Areas

It is clear from Table 3 that the six counties listed mostly depend on outside funds which come through four channels, namely fiscal transfers, PBC on-lending for agriculture, loans from ADBC, and remittances from migrant workers. Fiscal transfers are around one to five times the fiscal revenue and make up short falls for expenditures. PBC's on-lending normally stands at 20-30% of outstanding RCC loans. If nonperforming loans (NPLs) of RCCs are not considered, PBC on-lending is actually the major funding source for new loans. With the rising number of migrant workers, the deposits in RCCs have increased. Some RCCs even have idle funds that reduce their demand for PBC on-lending. For example, in 2003, Meitan County recorded deposit increases of CNY70 million and idle capital of more than CNY100 million, some of which was lent out on a short-term basis. In Fenggang and Taijiang, the

deposits increased by CNY40 million and CNY14 million, respectively. Although there was a moderate increase in the number of loans, RCCs were not willing to expand lending rapidly. This has reduced the demand for PBC on-lending for agriculture. The outstanding loans of ADBC are decreasing, illustrating its dwindling role as a policy bank in less-developed areas such as Guizhou. Remittances from migrant workers accounted for around 33-60% of the outstanding deposits of RCCs, several times the amount of deposit increases. In fact, remittances have been the major source of income growth for rural households in poor areas.

Generally, there are three channels for the outflow of funds namely, SOCBs, postal savings, and RCCs. The size of loans from ABC has become smaller in all counties except Taijiang where a matching fund for an expressway drastically increased the amount. Outflows through postal savings vary. In Fenggang and Meitan of the more developed Zunyi district, the growth of RCC deposits was three times that of postal savings; in Dafang and Zhijin in the poorest Bijie district, RCC deposits decreased. In terms of postal savings, the more developed counties have higher increases in both absolute amounts and rates.

Table 4 shows that both the increases in ABC loans were less than those of deposits, meaning that the new deposits were not used for loans in the observed period. Postal savings offices do not make loans, so deposits are simply net outflow. In addition, the loans from ADBC were also shrinking (Table 3). Only RCCs showed increased lending, indicating that new demand for funds in these counties was met mostly by RCCs.³ Moreover, government-supported loans could not meet expected targets. Remittances from migrant workers

³ Note that it is impossible to breakdown data of ABC in urban and rural areas, and some loans of ABC are for urban infrastructure projects.

Table 3. Inflows of Funds in Sample Counties (End of 2003)*(in CNY10,000)*

	Meitan	Fenggang	Taijiang	Danzhai	Dafang	Zhijin
Fiscal Revenue (1)	8,200	3,981	2,150	2,066	15,018	14,998
Fiscal Expenditure (2)	19,600	15,000	10,000	7,000	29,634	32,515
PBC On-Lending						
2002	2,700	2,200	2,320	2,100	4,800	3,500
2003	600	3,000	1,800	1,900	4,300	3,200
Increase	- 2,100	800	- 520	- 100	- 500	- 300
Postal Savings						
Remittances*	15,248	9,000	3,000	2,700	17,082	13,566
ADBC						
Loans (2002)	7,028	11,487	2,072	1,711	7,021	4,772
Loans (2003)	6,940	11,382	1,526	1,659	6,275	5,236
Increase	- 88	- 105	- 546	- 52	- 746	464

*Remittances are estimated post office remittances from migrant workers.

Table 4. Outflows of Funds in Sample Counties (End of 2003)*(in CNY10,000)*

	Meitan	Fenggang	Taijiang	Danzhai	Dafang	Zhijin
RCC Deposits						
Outstanding (2002)	31,564	11,117	8,540	4,222	22,153	20,069
Outstanding (2003)	38,665	14,946	9,926	5,577	20,779	18,780
Increase	7,101	3,829	1,386	1,355	- 1,374	1,289
DCC Loans						
Outstanding (2002)	25,179	9,915	8,095	5,247	17,815	19,311
Outstanding (2003)	27,751	12,796	8,855	6,200	22,062	20,640
Increase	2,542	2,881	1,435	758	4,247	1,329
Postal Savings						
Deposits (2002)	13,214	11,059	3,022	3,629	5,465	3,306
Deposits (2003)	15,720	12,204	3,267	4,429	7,031	6,046
Increase	2,506	1,145	245	800	1,566	2,740
ABC						
Deposits (2002)	24,555	15,373	43,640	7,775	21,425	28,451
Deposits (2003)	24,455	15,432	43,757	8,784	22,059	35,105
Increase	- 100	59	117	1,009	634	6,654
Loans (2002)	15,623	23,458	62,039	11,912	28,990	30,728
Loans (2003)	15,525	8,179	101,504	11,908	646	4,119
Increase	- 98	- 15,279	39,465	- 4	- 28,344	- 26,609

have become the largest reason for farmers' increased income and for the increase in deposits in RCCs and postal savings. Although the inflow of funds through government transfers and remittances far exceeded the outflow, the demand for credit still could not be met. This shows that rural finance in Guizhou is in more urgent need of an efficient credit mechanism than it is of more funds.

The Survey: Rural Households

Guizhou is a province in southwestern PRC with a considerable ethnic population. Our sample data indicate that the population is 48.4% Mandarin and 33.8% Miao ethnic groups (Table 5), with the Miao more concentrated in the poor and mountainous areas.

Table 5. Sample Households: Ethnicity

Ethnicity	No.	Percentage
Mandarin	502	48.6
Miao	349	33.8
Other	88	8.5
No reply	93	9.0
Total	1,032	100.0

Table 6 describes the sample size and characteristics of the sample households. First, the family size in Guizhou is relatively small (4.1 per household), which is contrary to many people's perceptions that poor rural households in the PRC comprise large families. This indicates possible changes in the tradition of extended families in the poor areas of Guizhou, which has implications for

both the welfare system and for financial arrangements. More studies are warranted in this regard. Second, off-farm employment and income are becoming more important for rural households in Guizhou as over a third of rural labors are engaged in off-farm production. More importantly, of the of total off-farm laborers, 45% have worked as migrant workers in other provinces (inter-province labor transfer), and over 40% work at home. This suggests a considerable lack of employment opportunities in the counties and large cities of Guizhou. This is rather different from the rural labor transfer that occurs in more developed areas of the PRC where there has been a much higher proportion of migration from rural to urban areas within a province. The two plausible contributing factors are poverty and the lack of large urban centers that provide employment opportunities. In other words, the spread-over effect of urban development in Guizhou is very limited. A high ratio of inter-province migration also indicates the importance of remittances and other financial services for rural financial institutions.

It is important to single out heads of households, the decision makers, from the rest of the family. As shown in Table 7, heads of households are predominately male (94.7%) indicating the lower social and economic status of women. Our field survey found that only household heads had been granted access to microfinance loans in some poor areas and that their partners had no access without their consent. The table also shows that over half of the widowed households are headed by women (single-mother households). A policy implication is that RCC reforms should pay attention to gender. That is, the reforms should better understand women's demands for financial services, and should cater to them in order to enhance women's access to financial support and to improve their social and economic status.

Table 6. Sample Households: Family Size and Laborers

Item	No.	Percentage
Total Rural Population	4,222	
Average Family Size	4.1	
Total Rural Laborers	3,080	73.0% (of total population)
Full Laborers ¹	2,443	57.9% (of total population)
Semi Laborers ²	637	
Off-Farm Labor	951	38.9% (of full labor)
Of Which:		Of Off-Farm Labors
Work at Home	416	43.7%
Work within the County	46	4.8%
Work in the Province	61	6.4%
Work outside of Guizhou ³	428	45.0%

Notes: 1. Full laborers are defined as laborers between 18 and 55 years of age.

2. Semi laborers are defined as laborers from 16-18 and 56 to 65 years old.

3. Inter-province migrant workers.

Table 7. Heads of Households

	Number	Percentage
Total Number of Household Heads	1,032	
Male	977	94.7
Female	55	5.3
Rural Residence	1,003	97.2
Non-Rural Residence	29	2.8
Average Age	46.6	
Marital Status		
Married	952	92.2
Divorced	11	1.1
Widowed	53	5.1
Of Which: Headed By Female*	29	54.7
Never Married	11	1.1
No Reply	5	0.5
Education Level		
Illiterate	98	9.5
Primary School (1-4 years)	309	29.9
Primary School (5-6 years)	165	16.0
Middle School (7-9 years)	385	37.3
High School (10-12 years)	60	5.8
College and Above	9	0.9
No Reply	6	0.6
Months at Home	11	
Days of On-Farm Work	191.5	

	Number	Percentage
Off-Farm Occupation		
Transport	37	3.6
Construction	69	6.7
Textile	1	0.1
Manufacturing	37	3.6
Services and Restaurant	11	1.1
Farming away from Home	30	2.9
Other Off-Farm Employment	188	18.2

Notes: * Percentage of the widowed household heads.

Table 7 also shows that the level of education for household heads is very low, as about 10% are illiterate and another 35% have only a primary school education. In other words, about half of heads of households had received fewer than 6 years of formal education and some went to school around 20 years ago.⁴ The educational level of their spouses would most likely be lower than that of the household heads. The low educational level of household heads and their spouses may negatively affect the application of new technology in agriculture, or may deprive them of off-farm employment and income-earning opportunities which in turn affects their children's educational opportunities. Our survey shows that of 868 children of school age, 55 were out of school indicating a high dropout rate.

The assets and incomes of the sample households are shown in tables 8-11. In rural areas of the PRC, family houses are usually the most important assets as families do not own the land. Many rural households in Guizhou still live in very old houses over 20% of which were built 25 years or more ago, and some of which were built in the Qing Dynasty. Survey data showed that the average cost for building a house in the sample after the year 2000 was CNY17,320, and that the older the houses, the poorer the housing conditions. Poor housing conditions are an important indicator of poverty in the province.

Table 8. Family Houses

When the Family House was Built	Number	Percentage
Before 1911 (Qing Dynasty)	9	0.9
From 1901-1949 (Prior to PRC)	30	2.9
1950-1978 (Before the Reforms)	213	20.6
1979-1999	480	46.5
2000-Oct. 2004	196	19.0
No Reply	104	10.1

In Table 9, we classify household assets as physical and financial and productive and non-productive. The table shows that, on average, financial assets (cash and deposits) account for about 40% of non-house assets, and physical assets account for the remainder. Assuming an average family house is worth CNY5,000, an average rural household in the province holds about one third of its assets in the form of financial assets. This ratio is not low given their levels of income and wealth. It would be interesting to examine further the determinants of the proportion of financial to total assets and to consider the links among income, wealth, and the extent of savings. Of total financial assets, about one third are in cash and two thirds in bank deposits. Interestingly, rural households hold

⁴ Considering that most household heads are in their forties, they received their education at the time of the Great Cultural Revolution when the quality was considered low.

a high proportion of their physical assets in animals (nearly 50%). Many households have used animals (mainly pigs, cattle, and poultry) as stores of wealth; whenever needed, animals can be converted into cash at a relatively low cost. This also implies that there are few suitable financial instruments for rural households, indicating that reforms of the rural financial system should consider not only credit but also other instruments such as securities and insurance.

There is limited growth potential for savings deposits of rural households (Table 10). For those

without deposits, about half had no extra cash because their incomes are used for basic living expenses, and over 20% used up their incomes for important items of consumption and investment. Another 15% of wealth was in the form of livestock instead of bank and RCC deposits. Only a few households complained that the deposit interest rates were low and that the services were too far from home. It is expected that increased interest rates on deposits and added service providers may bring moderate increases in household deposits, although this needs to be confirmed with further research.

Table 9. Other Household Assets

	Amount	Percentage
Physical Assets		
Value of Animals ¹	2,824.5 (3,178.2)	47.8
Value of Productive Assets ²	1,568.7 (14,765.1)	26.5
Value of Grain in Storage	847 (824)	14.3
Color TV		
Number of Households with Color TVs	505	
Estimated Value of Color TV per Unit	1,000	
Phone		
Number of Households with Telephone	285	
Estimated Value of Phone	100	
Cell Phones		
Number of Households with Cell Phone	142	
Estimated Value of Cell Phone	1,100	
Subtotal: Physical Assets	5,908.5	100.0
Financial Assets		
Cash	1,063.1	27.7
Total Deposits	2,773.3	72.3
Time Deposits	722.7	18.8
Demand Deposits	2,050.6	53.5
Subtotal: Financial Assets	3,836.5	100.0
Total Assets (Excluding Houses)	9,745.0	

Notes: 1. The value of all the animals kept by a household at the current market value at the time of survey.
2. Value of tractors, motorcycles, pumps and other transport equipment owned by the households.
Figures in brackets are standard deviations.

Table 10. Reasons Given for Not Depositing in Financial Institutions

Reason	Number of Observations	Percentage
1. No Surplus Cash	296	49.7
2. Interest Rate for Deposits too Low	44	7.4
3. Poor Deposit Services	4	0.7
4. Long Distance from Institution	14	2.3
5. Difficult to Withdraw	4	0.7
6. Have Lent to Others	9	1.5
7. Have Lent through Agents	2	0.3
8. Used Money for Big Events	136	22.8
9. Store the Value in Animals	87	14.6
Total	596	100.0

Compared with the assets of rural households, income levels as shown in Table 11 are not low. In 2002, the average net income per household was CNY6,709.1, of which CNY5,841.9 was cash. Possible reasons may be that much of the income growth was from migrant workers and off-farm activities: each

counted for more than 20% of net cash income while farming activities only generated one third of net cash income. Income growth from migrant workers and off-farm activities is quite recent; it took time for cash earnings to be transformed into physical assets.

Table 11. Net Income and Cash Incomes

	Mean	Standard Deviation	Percentage
Total Net Income per Household	6,709.1	18,002.8	100.0
Total Cash Income per Household	5,841.9	33,909.7	87.1
Of Which:			
From Migrant Workers	1,221.8	3,357.4	20.9
From Farming	1,934.7	2,920.3	33.1
From Off-Farm Activities	1,428.3	11,970.9	24.4
From other Sources except Remittances	893.5	2,778.1	15.3

The Survey: Demand for Credit

The demand for credit from rural households arises from their farm and off-farm production and investment. The cultivated land per capita in Guizhou is 1.16 mu⁵ of which nearly half is not

irrigated (Table 12). For many households, their cultivated land is scattered over 10 plots which increases costs and labor for farming. Land scarcity and poor quality are important reasons why farmers seek off-farm employment.

⁵ 15 mu equal 1 hectare.

Household farm expenses are shown in Table 13. The major cost is for fertilizer, followed by seeds, pesticides, and plastic film. Accordingly, purchase on credit (trade credit) and borrowing are greater for fertilizer than for other farm inputs as approximately 20% of households may need to borrow to buy fertilizer.

Table 12. Farm Land Contracted to Households

	Area (Mu)*
Irrigated land per household	2.50
Non irrigated land per household	2.20
Total cultivated area per household	4.80
Total cultivated area per capita	1.16

Note: * 1 hectare equals 15 mu.

Table 13. Average Farming Expenses per Household

Item	Unit (kilogram)	No. Households	Amount (CNY)	%
Average Costs per Household			550.1	
1. Fertilizer	505.6		343.9	62.52% ¹
Purchased on Trade Credit	24.8			4.9% ²
Households that Borrowed for Fertilizer		177		21.0% ³
2. Chemicals	7.0		48.5	8.81% ¹
Amount Bought on Credit ¹	0.3			4.3% ²
Households that Borrowed for Chemicals		31		5.2%
3. Seeds	35.4		82.8	15.06% ¹
Amount Bought on Credit ¹	0.1			0.3% ²
Households that Borrowed for Seeds			39	5.7%
4. Plastic Film	13.2		37.5	6.81% ¹
Amount Bought on Credit ¹	0.1			0.8% ²
Households that Borrowed for Plastic Film		29		7.0%
Average Aquaculture Cost per Household				
Animal Feed	1,573		443.7	
Amount Bought on Credit ¹	10.7			0.7%
Households that Borrowed for Feed		23		6.0%

Notes: 1. As per percentage of total cropping costs per household. It is important to note that the sum of the costs for fertilizers, chemicals, seeds, and plastic film does not add up to 100% as cropping costs include other costs as well such as the costs for hiring labor and farm machinery, electricity bills, etc.
2. The percentage of the total quantity the farm input in question procured.
3. The percentage of total households that procured the farm input in question.

Distance to providers is an important factor in financial services for rural households in remote, mountainous areas. This has become a significant issue as ABC has been closing loss-making branches and offices in poor rural areas, and RCCs are closing some branches in poor and remote areas of the country or withdrawing their power to authorize loans. As shown in Table 14, the average distance from rural households to RCCs and postal savings offices is not great, but it may take ten minutes to an hour to cover in mountainous areas. Moreover, some households have to walk a long distance for financial services. For example, many villages in Danzhai County do not have access to roads. RCCs there have to cover large areas with limited staffing which

hampers good service provision and increases operational costs. This limited coverage of formal institutions including RCCs has led to usury in counties like Fenggang.

Table 14.
Distances to the Nearest Financial Institutions

	Average Distance (kilometers)
Distance to RCC	
Average	5.7
Farthest	30.0
Distance to Postal Savings	
Average	10.3
Farthest	54.0

Table 15. Demand for Credit

Item	1 st Priority	%	2 nd Priority	%	3 rd Priority	%
Deposits	255	30.6	58	7.1	40	5.0
Education	120	14.4	224	27.3	106	13.2
House	116	13.9	78	9.5	30	3.7
Farm Production	78	9.4	156	19.0	212	26.3
Off-Farm Production	60	7.2	62	7.5	94	11.7
Weddings and Funerals	55	6.6	56	6.8	11	1.4
Debt Repayment	37	4.4	18	2.2	36	4.5
Food	32	3.8	51	6.2	52	6.5
Cash	25	3.0	3	0.4	5	0.6
Sickness	14	1.7	24	2.9	16	2.0
Vehicle	12	1.4	22	2.7	10	1.2
Daily Necessities	12	1.4	39	4.7	59	7.3
Borrowing for Profit	0	0.0	0	0.0	4	0.5
Others	17	2.0	31	3.8	131	16.3
Total	833	100.0	822	100.0	806	100.0

In the field survey, we asked the rural households what they would do with an extra CNY10,000. The answers to the question are in Table 15. After deposits, children's education, farm production, and houses were the next three priorities. The use of credit is closely related to returns on the investment and to the ability to repay.

Nevertheless, although investment in education is very important for the households and for the nation as a whole, the immediate return on the investment is relatively low. Accordingly, the government should invest more for primary and secondary education in poor areas to help to develop a sustainable financial system.

Table 16. Borrowing Sources (2003)

Source	Value	%
Total Number of Loans	381	100.0
From Relatives, Friends and Neighbors	244	64.1
From State-Owned Commercial Banks	18	4.7
From RCCs	119	31.2
Total Average Value of Loans per Household*	1,910.6	100.0
From Relatives, Friends and Neighbors	873.1	45.7
From State-Owned Commercial Banks	245.4	12.8
From RCCs	792.1	41.5

Note: * The average value is the average of all sample households

Table 17. Rural Credit Cooperative Loans (January 2001 – October 2004)

Item		Percent
Number of Loans	245	
Average Size of RCC Loans ¹	6,240.8	
Average Amount Borrowed per Sample Household ²	1,560.2	
Amount Received / Amount Applied For	82.4%	
Of All Loans	Number	
Loans with Collateral and Guarantees	42	18.1
Loans with Collateral	127	54.7
Loans with Guarantees	58	25.0
Loans with Deposits as Collateral	5	2.2
Subtotal	232	100.0
Guarantor		
Village Officials	25	20.2
Relatives and Friends	71	57.3
Enterprises and Wealthy Individuals	13	10.5
Village Committee	2	1.6
Group Guarantee	13	10.5
Subtotal	124	100.0
Loan Repayment		
On Time	104	46.2
Rescheduled but Repaid	52	23.1
Rescheduled for Over 6 Months	3	1.3
Rescheduled for Over 12 Months	35	15.6
Others	31	13.8
Subtotal	225	100.0

Notes: 1. The total amount of RCC loans divided by those households with RCC loans.

2. The total amount of RCC loans divided by all the sample households.

3. The amount of loan granted as a proportion of the loan amount applied.

Table 16 shows the sources of loans to sample households. Households borrowed most from their relatives, friends, and neighbors (64.1% in terms of frequency, and 45.7% in terms of total value). An RCC was the second most important source of funds (31.2% in terms of frequency and 41.5% in terms of total value) while loans from SOCBs stood last in line at less than 5% in frequency and less than 13% in value. This is consistent with the April 2004 survey conducted in other areas by the National People's Congress. Further study is needed to explain the reasons why families borrow more from informal channels. What can RCCs learn from informal finance providers in terms of the loan application procedures, conditions, scale, tenure, and interest rate structure? Are there any other financial organizations with lower operating costs than RCCs?

Table 17 provides a detailed account of RCC loans from 2001 to October 2004. During field visits, we asked farmers to list their largest loans from RCCs after 2001. Of the 245 recorded, the average loan size

was above CNY6,000, larger than most microfinance loans provided by donor-supported microfinance institutions in the PRC (around CNY1,000-2,000). Most loans from RCCs also required collateral and guarantees; those guarantees were mostly provided by relatives and friends. Moreover, loan rescheduling was common. Less than 50% of the loans were paid on time which is consistent with the survey of RCCs in the province.

Although the average loan size for RCCs is not small in Guizhou, many sample households needed even larger loans of extended tenure (Table 18). On one hand, RCCs cannot meet the demands of households with large aquaculture businesses. On the other hand, there are many poor households with small funding demands, but the transaction costs for small loans are high. These households, that should be the target clients of RCC microfinance loans, demand simplified loan application procedures. This also suggests that RCCs cannot meet diverse rural finance demands.

Table 18. Complaints about Rural Credit Cooperative Lending Operations

	1 st	%	2 nd	%	3 rd	%
1. Loan Size too Small	247	34.2	56	8.0	91	14.4
2. Loan Tenure too Short	138	19.1	226	32.4	43	6.8
3. Interest Rates too High	215	29.8	136	19.5	114	18.0
4. Cost for Loan Application too High	23	3.2	41	5.9	20	3.2
5. Procedures too Complicated	60	8.3	175	25.1	167	26.3
6. Loan Provision Not on Time	31	4.3	52	7.4	179	28.2
7. Too Far from Home	8	1.1	12	1.7	20	3.2
Total	722	100.0	698	100.0	634	100.0