

A Feasibility Study of Microfinance for Chinese Disabled Farmers

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The Chinese government supports development aid to persons with disabilities (PWDs) in the form of microfinance. The nation's Poverty Alleviation and Development Plan for PWDs (2001-2010) and the Eleventh Five-Year Plan for Rural Disabled Persons (2006-2010) spell providing quality rehabilitation out that the main methods to help poor rural disabled persons include significantly increasing the amount of funds for their use as well as ion services for them. The local government at every level has the responsibility to assist disabled persons.

Located in the southwest of China, Yuexi County in Sichuan Province is a designated national key poverty-stricken county, with the 70% of the population as Yi ethnic minority. The productivity of the county is low and the county government lacks fiscal resources assisting disabled farmers. Surrounded by mountains, the main economic activities in the county are traditional agriculture and animal husbandry. As the most vulnerable group in their communities, disabled farmers are not always included in development projects in the past.

To assist disabled farmers in Yuexi County, World Bank and the Department for

International Development (DFID financed the Poor Rural Community Development Project (PRCDP). Handicap International and Yuexi county Disabled Person Federation manage the project, which commenced in October 2005. As a component of PRCDP, the Revolving Productive Fund for Development (hereafter referred to as the fund) aims at supporting PWDs in Yuexi County to develop agricultural production and other income generation activities. In March 2007, Handicap International invited a research team from the China Agricultural University to study the feasibility of establishing the fund. The research team consists of two faculty consultants and two student volunteers.

Methodology

The research team used a mixed approach in the study, reviewing relevant project documents and reports, holding meetings with key stakeholders, conducting site visits and interviewing potential beneficiaries of the fund and relevant stakeholders. Along with staff from the country Disabled Person Federation and officials from the township government, the research team spent seven days visiting six villages located in

two townships in the county, and conducted semi-structured interviews with disabled farmers and their families, village leaders and township officials. In addition, they collected information on relevant policies and discussed the possibility of establishing the fund with county government officials. The team spent one and half days visiting county government agencies, including the Labor Administrative Bureau, Civil Affairs Bureau, Poverty Alleviation Office, Animal Husbandry Bureau, and the World Bank Project Office

The majority of farmers living in Yuexi County are Yi ethnic minority, with distinguished culture, language and customs. Participatory rural appraisal was applied throughout the study. During interviews with disabled Yi farmers, some local township officials served as interpreters. After the site visits to villages were completed, the research team organized a one-day workshop and invited county government leaders and other officials to share information and exchange ideas on the feasibility of establishing the fund.

Findings

Although disabled and many of them illiterate, the study finds that most farmers have a certain degree of capacity to work. Moreover, all of them expressed strong desire to develop their livelihood skills and improve their lives. As the market price of both agricultural and animal husbandry products increased over the last three years, most of the interviewed farmers would like to grow agricultural products such as potato, maize and rice, and raise livestock such as pig, sheep and poultry. These disabled farmers also emphasized that the fund should

be managed by themselves.

The study also finds that the county government officials supported the establishment of the fund, which could ease the conflict between the needs of disabled farmers and limited financial resources of the county government. They noted that the fund establishment was in line with the general development of the county, and was legally, politically and financially feasible. The township officials and village community leaders agreed that the fund would help disabled farmers purchase seeds, fertilizers and so on, further increase their input in development activities, and eventually increase their income. Officials from the county's Animal Husbandry Bureau promised to provide free epidemic prevention training to disabled farmers. Other township leaders said that the township agricultural technical service centers could provide technical training and support to disabled farmers.

The study on market feasibility finds that each township has regular market fairs, and dealers visit almost all villages regularly to purchase agricultural products. This ensures that the farmer's products could be sold. The raising of animal products would provide organic fertilizer to the soil, enhance land fertility, decrease water and soil erosion, improve local vegetation and land quality.

The research team studied experiences from other micro-financing projects in China and assessed potential risks, including natural disaster, market fluctuation, nature of the fund and fund management. Although risk and challenges exist, the study affirmed that the fund would help disabled farmers increase their awareness in self-development, learn new knowledge and skills, participate more in

development activities, increase their income and contribute to the sustainable community development, which also brings benefit to the sustainable socio-economic development of Yuexi County.

Conclusion

As a result of the study, it is decided that the Revolving Productive Fund for Development for Yuexi County, Sichuan Province will be established. Subsequent work for the team involves setting up management regulations of the fund and building a monitoring and evaluation mechanism for the operation and management of the fund.

References

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