

Research on the performance of poverty alleviation microfinance in Dazhu County

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Abstract: The purpose of this paper is to use the quantitative analysis method to evaluate the implementation effect of the poverty alleviation microfinance policy in Dazhu County. Based on the existing literature theory, combined with the implementation of the poverty alleviation microfinance policy in Dazhu County, the micro data of poverty alleviation microfinance in Dazhu County are obtained through the third-party evaluation survey, and the poverty alleviation microfinance is analyzed by using PSM model and endogenous transformation model. In order to analyze the deficiency of micro credit in targeted poverty alleviation in Dazhu County, this paper puts forward some policy suggestions to promote poverty alleviation of poor households in Dazhu County.

Keywords: Dazhu County; Poverty alleviation, Microfinance, Performance evaluation

1. Research background

Financial poverty alleviation is an important support for targeted poverty alleviation. By further improving the financial service mechanism, we can comprehensively provide financial services for poverty alleviation and development, and promote the sustainable and healthy development of economy and society in poor areas. Poverty alleviation micro credit is a financial targeted poverty alleviation product tailored for the poor households who have set up archives and registered cards. Its policy points are "less than 50000 yuan, within three years, no guarantee or mortgage, benchmark interest rate lending, financial discount, and county construction risk compensation". Poverty alleviation microfinance has achieved remarkable results in helping poor households develop production, increase income and get rid of poverty. Poverty alleviation microfinance has become a financial service brand for targeted poverty alleviation and targeted poverty alleviation. However, in the process of promoting poverty alleviation microfinance, there are also some problems such as unreasonable use of funds, non-compliance of loan issuance and inadequate risk management. District and county level government is the first responsible subject to promote the development of poverty alleviation microfinance, which is responsible for the comprehensive management of poverty alleviation microfinance. However, the current theoretical research on the performance of poverty alleviation microfinance focuses on two levels: one is the panel data analysis with provincial and national themes to observe the macro policy operation and regional implementation differences; the other is the micro case study, which aims to summarize the practical experience and mode in the process of poverty alleviation microfinance promotion. The quantitative performance of district and county level management and operation of poverty alleviation microfinance.

2. Journals reviewed

Many scholars at home and abroad have put forward their own views on the effect evaluation of poverty alleviation. In the process of extensive poverty alleviation,^[1] Piazza et al. (2001) proposed that the effective improvement of poverty alleviation performance does not depend on the amount of funds, but on how to use funds reasonably.^[2] Cohen (2002) pointed out that the evaluation of poverty alleviation performance depends on index data and matching

methods. Domestic scholars have also made a lot of research on the evaluation method of poverty alleviation effect. [3] Lin wenman (2017) used factor analysis method to evaluate the performance of Hainan Province, and pointed out that the utilization rate of poverty alleviation funds and the rate of poverty alleviation funds to households affect the Engel coefficient, rural poverty reduction rate and other indicators. [4] Tian Dan (2005) pointed out in his research on the efficiency of financial support for agriculture that we should comprehensively apply various indicators such as society and ecological environment to analyze the performance in the process from macro and micro perspectives. [5] Xu Xinqiang and Lu Qian (2009) adopted the method of time series principal component analysis to evaluate the performance of poverty alleviation in rural areas by selecting the indicators of infrastructure, production development, social benefits, economic benefits and system management in poor areas. [6] Zhuang Tianhui (2012) adopted the fuzzy evaluation method to construct the poverty alleviation performance system in southwest poverty-stricken areas, and constructed the evaluation index system from the aspects of production, life, ecology and self-development ability. [7] Lu Guofan (2014) used analytic hierarchy process (AHP) and deviation quota analysis to evaluate the poverty alleviation performance of Zhongyuan economic and industrial model. [8] In the research on the performance of micro credit poverty alleviation, Liu Shicheng (2016) believes that the targeted object, targeted method and accurate delivery of poverty alleviation resources will determine the performance of poverty alleviation policies or projects. [9] Li Yan (2016) proposed that in the performance appraisal, the commonly used analytic hierarchy process, principal component analysis and cluster analysis all have their own inherent shortcomings. Therefore, in the research process, we should not be limited to the use of one method, but should comprehensively use each method according to the actual needs. [10]

3. Analysis of empirical results

3.1 The impact of microfinance on Multidimensional Poverty

Average treatment effect analysis results (poverty)

variable	method	Att (difference)	standard deviation	t
Poverty	Caliper matching	-0.0592***	0.01497	3.96
	Kernel matching	-0.0595***	0.01497	3.97
	Proximity matching	-0.0755***	0.01676	5.52
	Spline matching	-0.0576	0.05317	1.08

The table shows the effect of micro credit on multi-dimensional poverty in Dazhu County of Dazhou city estimated by four matching methods. The model estimation results are based on the conditions of common support domain. The results of caliper matching, kernel matching and neighborhood matching reflect that micro credit has a significant weakening effect on multi-dimensional poverty in Dazhu County of Dazhou city. From the average value, the current operation of micro credit is relatively stable 6629 percentage points lower. It has made an important contribution to the poverty alleviation of Dazhu County.

3.2 The impact of microfinance on one dimensional poverty

Average treatment effect analysis results (poverty)

variable	method	Att (difference)	standard deviation	t
Poverty intensity	Caliper matching	-0.06602***	0.01579	-4.35
	Kernel matching	-0.0852***	0.01579	-4.34
	Proximity matching	-0.06862***	0.01579	-4.35
	Spline matching	-0.0852***	0.01579	-4.34

The table shows the effect of micro credit on multi-dimensional 2 percentage points.

4. Empirical results of endogenous exchange model

Through the endogenous exchange model, the sample selection bias is solved, and the measurement results of the impact of microfinance on multi-dimensional poverty and single dimensional poverty are obtained.

4.1 The impact of microfinance on Multidimensional Poverty

variable	regression coefficient	standard deviation
people	0.0218594***	0.002761
sex	-0.073576	0.0104
age	0.02268***	0.004289
education1	-0.0234301	0.036885
education2	0.031273	0.035218
education3	-0.0129862	0.035288
health1	-0.0670204***	0.15626
health2	-0.0096557	0.131939
health3	-0.0412442**	0.020022
mimdl	0.3384766	0.34814
attributes1	-0.2586628***	0.541388
attributes2	-0.3430358***	0.054292
labor2	0.0233932*	0.012129
microfinance	0.1706758***	0.227656
cons	0.8711556***	0.069465

It can be concluded from the above table that in solving the sample selection bias, the multi-dimensional poverty effect (poverty alleviation of poor households) is significantly related to the poverty alleviation microfinance, the attributes of poor households, health status, age and the number of family population. It shows that the Multidimensional Poverty variables are influenced by many factors, among which the multidimensional poverty alleviation effect is positively correlated with the investment of micro credit, negatively correlated with the attribute characteristics of poor households, positively correlated with good health status, positively correlated with age, and positively correlated with family population.

4.2 The impact of microfinance on one dimensional poverty

variable	regression coefficient	standard deviation
people	0.0011672	0.0028613
sex	-0.0136661	0.010778
age	0.0002251	0.0004444
education1	0.0512846	0.0382251
education2	0.0330517	0.0364965
education3	0.0374612	0.0365691
health1	0.0495571***	0.0161934
health2	0.030222	0.0136729
health3	0.0517789	0.0207489
mimdl	0.1567947	0.3607851
attributes1	0.0961255	0.0561048
attributes2	0.1281126	0.0562643
labor2	0.0536586***	0.0125697
microfinance	0.0876638***	0.0239607

Cons	0.4122789	0.0719868
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It can be concluded from the above table that in solving the sample selectivity bias, the intensity of one-dimensional income poverty is significantly correlated with poverty alleviation microfinance, labor force level and health status. Among them, the effect of one-dimensional poverty alleviation is positively correlated with the investment of micro credit, with the level of labor force, and with good health. The impact of micro credit on one-dimensional poverty alleviation is greater than that of labor level index and health index.

5. Countermeasures and suggestions

In the top-level system design of poverty alleviation microfinance, first of all, we should ensure that the loan can be accurate to the supporting object, aim at the poor households who have established files and registered cards, simplify the lending procedure according to the development intention, and make accurate lending. Whether the poor farmers use the loan to develop their own production or join in the industrial development of enterprises, they should ensure that the development income obtained from the loan reaches the households. Especially in view of the loan needs of participating enterprises in the development of industry, we should make clear the links, ways and proportion of benefit distribution of farmers in the system, do a good job in policy publicity, protect the interests of farmers, and effectively mobilize the endogenous power of poor farmers to develop production. Improve the top-level system design of poverty alleviation microfinance.

To standardize the management of poverty alleviation microfinance. Due to the strong welfare of poverty alleviation microfinance, it is easy to cause the problem of interest encroachment and loan deviation from the poverty alleviation goal in practice. Therefore, we need to further standardize the management and do a good job of prevention and control in advance and in the process. First, standardize the identification and management of loan objects. Relevant government departments should be responsible for improving the work plan of small amount poverty alleviation. The two committees of township and village branches should cooperate with the rural credit cooperatives to do a good job in issuing and using loans. The two committees of township and village branches should assist the rural credit cooperatives to carry out basic work such as household investigation, farmers' selection, industry guidance and driving docking, strictly identify loan objects and strictly define loan purposes. We should prevent people from taking out loans, transferring loans, falsely reporting the number of households, falsely reporting their needs, or defrauding loans in the name of poor households.

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