

A Study on the Impact of Grassroots Party Building on Rural Credit Willingness in Shaanxi: A Technology Acceptance Model Approach

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Abstract: *This study examines the impact of grassroots party building on villagers willingness to take out loans in a district of Shaanxi, using the Technology Acceptance Model TAM. The findings indicate that party building enhances trust and participation in rural credit, leading to a more prosperous credit market. The paper provides insights into the role of party organizations in promoting rural financial services and suggests policy improvements for different stakeholders.*

Keywords: Technology Acceptance Modelling, Grassroots Party Building, Rural Credit Loans

1. Introduction

1.1 Background of the study

In recent years, the importance of farmers loans in the rural financial system has increased, but participation remains low. Party building has become key to increasing farmers' trust and participation in credit lending. Grassroots party organizations have promoted the digitalization and accessibility of rural financial services, enhancing service quality and efficiency. Party building promotes service innovation, economic diversification, service quality and efficiency, and the linkage of "information, credit and loans" to crack financing problems and promote harmonious and stable rural governance.

Yijun Countys strong party building efforts in financing helped 81 percent of poor households, who had lost their credit, to rebuild it, lending nearly 20 million yuan. Nanling and Chejiagou villages have improved their governance by leading credit construction through party building. However, the problem of low credit rating recognition still exists.

This paper establishes an analytical framework based on the TAM model and incorporates risk aversion factors. It aims to explore how grassroots party building can enhance rural credit willingness among villagers by improving their trust and knowledge about financial services. Focusing on the impact of party building on farmers' willingness to use credit loans, the study aims to understand the role of party building in rural credit can inform policy makers and financial institutions to better design strategies that promote financial inclusion and economic development in rural areas.

2. Literature review

According to a series of in-depth studies, party building work has a significant positive effect on stimulating farmers' willingness to take out loans and enhancing the demand for

financial services. Party building work plays an important role in enhancing farmers' concept of credit and strengthening their sense of trust.

Wang Xiaozhan believes that rural microfinance is essential to activate markets, improve efficiency and promote prosperity^[17]. Shi Xinyue emphasized the role of microfinance in optimizing the financial structure, motivating farmers and alleviating supply shortages^[13]. Lv Huibing pointed out the challenges of capital shortage and low interest rates and discussed strategies to improve efficiency^[14]. Qiang Bo advocated customized credit products and services^[8]. Zhang Jianman^[15] and Wang Xiaoxiu^[16] proposed the optimization of microfinance in commercial banks. Zhu Guangqi and Zhao Jiafeng analyzed the government's intervention to optimize credit transaction structure and enhance supply dynamics^[10].

The importance of inclusive finance, which aims to equalize financial services and promote social equity and sustainable development, has been highlighted in rural finance. Traditional and digital financial inclusion have developed in parallel, and scholars have found that they are linked but relatively independent in specific regions^[7]. Lu Haiyong et al. assessed the role of both in rural poverty reduction and found that digital financial inclusion has great potential, but traditional financial inclusion plays a more significant role^[5].

Party building and inclusive finance are both important in rural financial development. Party building enhances farmers' credit awareness and optimizes the financial environment; inclusive finance broadens the scope of services, improves farmers' concept of credit, and enhances trust and loan awareness. Both of them work together to improve the rural financial system and achieve sustainable development.

3. Path analysis of the impact of rural party building on improving willingness to lend in rural areas

Based on the TAM model, this paper introduces "riskiness" analysis to enhance the practicality of the model. It can better perceive the credit risk, which helps to make accurate policy decisions and promote the popularization of credit.

3.1 Analysis of the perceived usefulness of rural party building in improving willingness to lend in rural areas

In the past, the grass-roots economy was underdeveloped, and farmers had a weak sense of consumption and a low willingness to take out loans. Banks' willingness to lend was weak, the amount was small, and it was difficult for farmers to obtain funding. In one county in Shaanxi, farmers' credit loans were mostly issued in lump sums of 50,000 yuan, reflecting a distrust of credit loans and a preference for low-risk options.

Party building promotes rural credit loan improvement and rural revitalization. As farmers' understanding of credit loans has increased, their trust has improved and their attitudes have changed, credit loans have contributed to the development of the rural economy.

The usefulness of credit facilities is analyzed in terms of both material and psychological aspects. Material usefulness means that the technology or product can bring direct benefits. Loans can contribute to increased crop production and quality, increase farmers' incomes, help farmers expand production and markets, and upgrade and modernize equipment. Mental usefulness refers to the psychological, emotional, or social status benefits of the technology or product. Loans can demonstrate farmers' financial management skills and improve their skills and knowledge. And the psychological satisfaction that loans bring motivates farmers to continue to pursue success. At the same time, loans also create a sense of urgency, motivating farmers to struggle and reduce unnecessary expenditures in order to repay their loans.

3.2 Analysis of the perceived ease of use of Rural Party Building in Improving Willingness to Lend in Rural Areas

In the past, the lagging economic development of rural areas and the insufficiency of grass-roots financial institutions made it difficult for farmers to obtain financial support when they were in urgent need of funds, and their willingness to borrow was weakened. Secondly, farmers' limited education makes it difficult for them to cope with the complex processes of financial institutions, which inhibits their motivation to borrow.

With the revitalization of villages and the building of rural party organizations, rural grass-roots finance has improved significantly. Village party organizations are actively completing the registration of villagers' information and verification of their assets, and simplifying the borrowing process. At the same time, party organizations have contacted financial institutions in towns and cities to provide services in

the countryside, regularly dealing with rural financial affairs and meeting villagers' needs. These initiatives have simplified the borrowing process, enhancing the ease of use of credit loans and stimulating villagers' willingness to borrow.

Party organizations play a significant role as a bridge in credit lending, and efficient and transparent processes shorten waiting time and enhance trust and satisfaction. It also promotes diversified repayment channels and personalized solutions, improves rural finance, increases willingness to borrow, promotes economic and rural revitalization, and supports financial institutions in expanding rural markets.

3.3 Analysis of the perceived riskiness of Rural Party Building on Improving Willingness to Lend in Rural Areas

In the past, the lagging rural economy and inadequate regulation have led to irregular debt collection by financial institutions and a heavy burden on farmers. The high risk of agricultural loans and the uncertainty of repayment inhibited willingness to borrow. The difficulty of repaying loans obtained by concealing their financial status made financial institutions less willing to lend.

Regulatory maturity and economic development have alleviated the problem, and the debt collection process is professional and standardized, avoiding the "son taking on the father's debt", safeguarding the stability of families, and facilitating the repayment of debts by borrowers with peace of mind as they seek to develop. Village Party organizations have significantly contributed to the healthy development of the rural credit market, reviewing qualifications, guaranteeing credit, supervising debt collection, and ensuring the reasonable flow of funds, in order to create a good credit environment and lay the foundation for the sustainable development of financial institutions.

The Government and relevant departments have strengthened the supervision and support of the rural credit market, introduced favourable policies to encourage financial institutions to increase credit investment, provided training and guidance to improve service levels and risk prevention and control capabilities, and promoted the construction of a rural credit system. These measures promote the healthy development of the rural credit market and provide a guarantee for the prosperity and stability of the rural economy.

3.4 Analysis of the Impact of Rural Party Building on Attitudes towards Improving Willingness to Lend in Rural Areas

After in-depth research and analysis, we construct a TAM model for the basic situation and the current situation of grassroots party building in a county in Shaanxi. And we further analyze the influence paths of the above factors on farmers' attitude and willingness to take out credit loans, intending to provide strong support for promoting rural financial service innovation.

In recent years, there has been a significant shift in farmers' perceptions of finance and loans, reflecting the inevitable economic and social development of rural areas and the

results of organizational reforms, and the updating of farmers' attitudes. At the organizational level, the deepening of party building and the improvement of institutions have improved the rural financial environment. Formal institutions have continued to optimize their services and provide more convenient choices. Village Party organizations have popularized financial knowledge and improved farmers' literacy and trust. Farmers have shifted from resisting to actively seeking loans, recognizing the positive effects of borrowing, and credit loans have helped to improve their production and livelihoods, promoting the healthy development of the rural financial market and the revitalization of the countryside.

Focusing on farmers' willingness to borrow, village party organizations help farmers to implement the practice. Farmers have become more aware of credit loans and are more willing to take out loans, reflecting the increased vitality of the rural economy and their trust in financial institutions. Village Party organizations organize training, popularize financial knowledge, and strive for preferential lending conditions to stimulate lending enthusiasm.

In the repayment process, farmers' risk resistance has improved, and improved supervision has effectively curbed violent collection and ensured orderly repayment. Financial technology improves service levels and personalized financial products meet farmers' different needs. Farmers value credit and repay their loans actively, building a healthy financial ecosystem.

4. Conclusions and policy recommendations

4.1 Summary

The study reveals that grassroots party building significantly enhances villagers willingness to take out loans by improving their trust in financial institutions and their understanding of credit services. The research highlights the importance of party organizations in promoting rural financial inclusion and suggests strategic recommendations for governments, financial institutions, and farmers to collaborate towards the sustainable development of rural economies.

4.2 Recommendations

Governments, financial institutions and farmers should cooperate to promote the healthy development of rural economies. Through government policy support, innovative services of financial institutions and the efforts of farmers, the transformation and sustainable development of the rural economy can be achieved, and a blueprint for rural revitalization can be drawn up together.

4.2.1 For the Government

In promoting rural credit to help the rural economy and farmers to increase their incomes, Governments need to develop strategic initiatives. Firstly, policies should be introduced to reduce operating costs and risks and stimulate the motivation of financial institutions. Secondly, it should strengthen the rural financial infrastructure and enhance the convenience and security of services. The government should organize insurance companies to provide insurance services

for agricultural loans and set up risk-sharing and compensation mechanisms. At the same time, it should increase the popularization of financial knowledge and education. Comprehensive measures will promote the healthy development of rural credit, enhance the vitality and resilience of the rural economy, and promote farmers' income and rural prosperity.

4.2.2 For financial institutions

In promoting rural credit, financial institutions need to strengthen their sense of mission and responsibility towards rural areas, conduct in-depth research on farmers' needs, and ensure that services are accurately matched. At the same time, they should increase the innovation of financial products, optimize the lending process and improve the efficiency of approval, so as to meet the capital needs of the rural economy. In addition, it strengthens risk management and cooperates with the government and cooperatives to promote the development of rural credit. It is also using modern information technology to improve service quality and increase service outlets and personnel to ensure that farmers enjoy high-quality financial services. These measures will support rural economic development and provide financial security.

4.2.3 For farmers

To promote the integration of rural party building and credit, farmers should follow the party, pay attention to policies, join the credit business, and improve their economic strength. Enhance financial literacy, plan credit scientifically and prevent risks. Participate in financial training, understand credit products, and make use of financial resources. Attach importance to credit building, maintain good records, and make repayments on time. Develop diversified income to enhance financial strength and repayment ability. This will promote personal development and contribute to the prosperity of the rural economy and the overall revitalisation of the countryside.

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Author Profile



Zehao Fu is studying in the School of Economics and Management of Xidian University , and has won the second prize in the U.S. Mathematical Modeling Competition for College Students (MCM/ICM).