

Research Paper

The Effect of Agricultural Bank Credits on the Quality of Life in Rural Regions (Case Study: Zanjan Township)

Manijeh Karami¹, Hossein Agahi², *Laleh Salehi³

1. MSc. Graduate of Rural Development, Agricultural Extension and Education Department, College of Agriculture & Natural Resources, Razi University, Kermanshah, Iran.
2. Associate professor, Agricultural Extension and Education Department, College of Agriculture & Natural Resources, Razi University, Kermanshah, Iran.
3. Assistant professor, Agricultural Extension and Education Department, College of Agriculture & Natural Resources, Razi University, Kermanshah, Iran.



Citation: Karami, M., Agahi, H., & Salehi, L. (2020). [The Effect of Agricultural Bank Credits on the Quality of Life in Rural Regions (Case Study: Zanjan Township) (Persian)]. *Journal of Rural Research*, 10(4), 614-633, <http://dx.doi.org/10.22059/jrr.2019.280073.1361>

doi: <http://dx.doi.org/10.22059/jrr.2019.280073.1361>

Received: 16 May 2019
Accepted: 05 Nov. 2019

ABSTRACT

Quality of life (QoL) is highly depended on individuals' economic condition. Therefore, this subject is so important at lesser areas such as rural regions. Therefore, the purpose of this study was to analyze the effect of agricultural bank credits on farmers' QoL in Zanjan rural regions. 29 farmers who received bank credits were selected as sample by using purposeful sampling method. The inquiry as qualitative study used narrative and documentary analysis to analyze content of interviews. The thematic analysis, content network and comparative analysis were used as a tool to analyze relationship among modified contents. Internal validity was approved using of triangulation process and as well as the external validity by maximum variation technique in sample selection. The findings showed that the effect of credits on the farmers' QoL varies based on the type and amount of credits. While short-term microfinance payments led to improving the production quality, health, and safety; in long term, led to relative deprivation and decreases the farmers' QoL due to the deviations in the functioning of the credits. Due to creation of stable employment and income, micro capital credits have led to improving of the Farmers' QoL. Finally, macro capital credits affected income, health quality, safety, quality of social relation, and environment which have an important role in increasing of QoL in the village regions.

Key words:

Quality of Life, Agricultural bank credits, Zanjan, Content analysis, Social relationships

Copyright © 2020, Journal of Rural Research. This is an open-access article distributed under the terms of the Creative Commons Attribution-noncommercial 4.0 International License which permits copy and redistribute the material just in noncommercial usages, provided the original work is properly cited.

Extended Abstract

1. Introduction

One of the newest trends, which widely affected change process in planning methods, are social and qualitative approaches of development that have been

expanded in terms of social welfare and quality of life (Sardoo et al., 2016). Quality of life (QoL) is a crucial element in the competitiveness of cities, regions, and states because it represents a pull and retention factor for new people, firms, and resident populations (Biagi et al., 2018). Nevertheless, QoL is closely depended on economic situation of the people. To increase the level of wealth at rural areas, Government of the Islamic Republic of Iran has

* Corresponding Author:

Laleh Salehi, PhD

Address: Agricultural Extension and Education Department, College of Agriculture & Natural Resources, Razi University, Kermanshah, Iran

Tel: +98 (83) 38323732

E-mail: Lsalehi@razi.ac.ir

paid the facility and credit to them through the Agricultural Bank. However, it is not yet clear what impact these credits have on the QoL of the villagers. Therefore, the purpose of this survey is to analyze the effect of agricultural bank credits on villagers' QoL in *Zanjan Township*.

2. Methodology

The research was conducted by a qualitative methodology based on a fundamental theory. The research as qualitative study used narrative and documentary analysis to analyze content of interviews. The thematic analysis, content network and comparative analysis were used as a tool to analyze relationship between modified content. 29 individuals who received credits of bank were selected as sample by using purposeful sampling method.

3. Results

Findings indicated that credits of agricultural bank paid to farmers in tow forms: 1) Micro credit, and 2) Macro credit. Since the credits are paid to farmers according to their land ownership and most of them were yeoman, about 90-95% of farmers used the short-term microfinance payments. Based on interviews, we identified the credits of bank affect farmers' QoL through improvement of family income, quality of social relationships, and effective uses of environmental resources. Moreover, credits of bank have dual effect on QoL according to their types.

Comparison analysis of different effects of credits on farmers' QoL indicated that short-term microfinance payments almost are used to retrieve the previous debts, health and safety, and providing of household food. Therefore, in the long term it would increase debt and relative deprivation among the recipients. In return, macro credits led to an increases in employment level, communication among farmers, income, achieve to facilities such as machinery, water resources management, and production efficiency. Therefore, it led to an increase in farmers' QoL.

4. Discussion

Many studies (e.g, [Roknedin Eftekhari & Ainali, 2006](#); [Rahmani Fazli & Kaviani, 2010](#); [Alaadini & Jalali Mousavi, 2011](#); [Ardahaee & Rostamalizadeh, 2012](#)) have indicated that the credits of bank increased the level of farmers' QoL. However, we indicated that not all types of credit promote the level of QoL among the farmers. This could be due to high interest rates and short payback period of these credits.

5. Conclusion

The research presents a comprehensive view of the credits effects farmers' QoL. According to the interviews, deviation in the short-term microfinance payments functioning is the main challenge for these credits. Instead of using the credits to develop agricultural plans, farmers have used them for other occasions. Therefore, bank managers and rural development planners can use the finding to improve the farmers' QoL.

Acknowledgements

The authors herby express their special gratitude to all participants who participated in this inquiry with great patience. Besides, special thanks go to the managers of Razi University (Kermanshah) for their financial support of the inquiry.

Conflict of Interest

The authors declared no conflicts of interest