Credit And Borrowing In South Africa Ncr

This paper examines some of the origins of the recent East Asian financial crisis. It is composed of three parts. The first considers the role of moral hazard in the crisis, specifically the influence of implicit and explicit government guarantees which may have contributed to excess borrowing in East Asia, similar to what occurred in Latin America during the 1980s. We then consider the role played by weaknesses in prudential regulation and supervision of both banks and non-bank financial intermediaries. Insufficient official oversight and poor corporate governance arguably were at the root of the limited financial transparency which prevented the correct assessment of risks by market participants. The combination of these two factors can be argued to have shifted credit markets from an equilibrium with excess borrowing to one with excessive credit rationing, resulting in a severe liquidity crisis. Comparisons are made with the micro-financial vulnerabilities which eventually led to earlier financial crises in Latin America and the Nordic countries.

This book deals with consumer lending from both theoretical and empirical points of view. In the theoretical section, it book analyses the wider context of financial literacy, household indebtedness and the global consumer credit market including relevant legal, regulatory and risk management issues. In the empirical section, the book uses The Navigator of Responsible Lending as an evaluation tool to assess both bank and non-bank consumer credit providers in the Czech Republic. Although our empirical research is done as a case study on the Czech Republic, its basic ideas might be easily applied to other countries as well. Enclosures to the book include additional texts relevant to consumer lending (including case studies and an unofficial English translation of the Czech Consumer Credit Act) and therefore provide the reader with several perspectives on the topic.

This book explores the political, economic and regulatory context in which credit regulation is taking place following the global financial crisis. It suggests that current neoliberal economic policies favour multi-national corporations rather than consumers and examines regulatory responses to the internationalization of consumer finance protection. Detailing how EU consumers have been affected by national economic conditions, the book also analyses the lending regimes of Europe, Australia, the US and South Africa and offers suggestions for responsible lending to avoid over-indebtedness and corrupt mortgage-lending. Finally, new approaches and directions for consumer credit regulations are outlined, such as protection for small businesses, protection against risky credit products, reorganization of mortgage securitization and the possibility of a partnership model to address financial exclusion. The book includes contributions from leading names in the field of consumer law and will be invaluable to those interested in banking, business and commercial law.

After 1688, Britain underwent a revolution in public finance, and the cost of borrowing declined sharply. Leading scholars have argued that easier credit for the government, made possible by better property-rights protection, lead to a rapid expansion of private credit. The Industrial Revolution, according to this view, is the result of the preceding revolution in public finance. In Prometheus Shackled, prominent economic historians Peter Temin and Hans-Joachim Voth examine this hypothesis using new, detailed archival data from 18th century banks. They conclude the opposite: the financial revolution led to an explosion of public debt, but it stifled private credit. This led to markedly slower growth in the English economy. Temin and Voth collected detailed data from several goldsmith banks: Child's, Gosling's, Freame and Gould, Hoare's, and Duncombe and Kent. The excellent records from Hoare's, founded by Sir Richard Hoare in 1672, offer particular insight. Numerous entrants into the banking business tried their hand at deposit-taking and lending in the early 17th century; few survived and fewer thrived. Hoare's and a small group of competitors did both. Temin and Voth chart the growth of the successful banks in the face of frequent wars and heavy-handed regulations. Their new data allows insights into the interaction between financial and economic development. Government regulations such as (a sharply lower) maximum interest rate caused severe misallocation of credit, and a misguided attempt to lighten the nation's debt burden led directly to the South Sea Bubble in 1720. Frequent wars caused banks to call in loans, resulting in a sharply slower economic growth rate. Based on detailed micro-data, the authors present conclusive evidence that wartime borrowing crowded out investment. Far from fostering economic development, England's financial revolution after 1688 did much to stifle it -- the Hanoverian "warfare state" was a key reason for slow growth during Britain's Industrial Revolution. Prometheus Shackled is a revealing new take on one of the most important periods of economic and financial development.

The Impact of Credit Card Incentive Packages on Consumer Borrowing Among Bank Customers in Pretoria North, South Africa

This Handbook presents in-depth research conducted on a myriad of issues within the field of financial literacy. Split into six sections, it starts by presenting prevalent conceptions of financial literacy before covering financial literacy in the policy context, the state and development of financial literacy within different countries, issues of assessment and evaluation of financial literacy, approaches to teaching financial literacy, and teacher training and teacher education in financial literacy. In doing so, it provides precise definitions of the construct of financial literacy and elaborates on the state and recent developments of financial literacy around the world, to show ways of measuring and fostering financial literacy and to give hints towards necessary and successful teacher trainings. The book also embraces the diversity in the field by revealing contrasting and conflicting views that cannot be bridged, while at the same time making a contribution by re-joining existing materials in one volume which can be used in academic discourse, in research-workshops, in university lectures and in the definition of program initiatives within the wider field of financial literacy. It allows for a landscape of financial literacy to be depicted which would foster the implementation of learning opportunities for human beings for sake of well-being within financial living-conditions. The Handbook is useful to academics and students of the topic, professionals in the sector of investment and banking, and for every person responsible for managing his or her financial affairs in everyday life.

This book analyzes the highly contentious payday lending industry, presenting valuable new data collected during Canada's recent regulatory reviews and demonstrating its relevance to payday lending conversations taking place worldwide. The authors treat the industry with a balanced hand by establishing its importance as an example of financialization and acknowledging the complex impact of payday lending services on low-income and credit-constrained clients. Up-to-date data from an interdisciplinary mix of financial, econometric, legal, behavioral economic, and socioeconomic sources—all in the context of an established Canadian industry—provide both proponents and opponents of payday lending with valuable evidence for their discussions of how much regulation is required to minimize harmful consequences. These insights from Canada expand a US-centric conversation and provide a key resource for the growing list of countries in which the industry is present, from the UK and Poland to South Africa and Australia.

There are about 2 million smallholders cultivating 40% of Indonesia’s oil palm area. They require significant financing to establish, maintain and replant their oil palm plantations, in order to both increase productivity and improve the quality of the fresh fruit bunches. Their capacity to self-finance their plantation is limited. However, most of them are credit-constrained. Since the late 1970s, the Government of Indonesia has introduced a number of credit schemes for oil palm smallholders. Banks and other formal institutions have also been offering various credit schemes in terms of the amount, grace period and requirements for smallholders, both individually or in groups. Through interviews and focus group discussions in two districts, each in South Sumatra and Central Kalimantan, we found four gaps: (1) demand–supply gaps; (2) maturity gaps; (3) risk-sharing gaps; and (4) legal gaps. Demand–supply gaps exist where credit applications by oil palm smallholders were not approved because of issues related to collateral requirements, credit amounts, and crop gestation periods. Maturity gaps exist when only few financing schemes consider a grace period for smallholders to wait for the first harvest. Risk-sharing gaps refer to the volatility in production costs and palm oil prices that smallholders have to bear. Many smallholders do not hold proper documentation, which leads to the legal gaps that prevent them from using their land as collateral to access credit from banks. These gaps reduce the possibility of smallholders accessing credit from formal institutions, which drives an informal local lending market with limited credit amounts and higher interest rates. The government and financial institutions must address these gaps in order to improve formal credit access for smallholder oil palm farmers.

The unprecedented collapse of international interbank borrowing was a prominent feature of the global financial crisis that started in August 2007. This paper focuses on the drivers of the retrenchment from 32 advanced and emerging banking systems. Using novel risk-weighted indexes the paper examines whether the banking systems’ access to credit was related to their domestic financial soundness and exposure to distressed international counterparties. The empirical findings suggest that both domestic and international risk factors contributed to the decline in international interbank borrowing during the crisis.

A comprehensive explanation of information institutions as they relate to the success of subnational capital markets Global trends in decentralization and the growing role of world cities have increased the importance of infrastructure development. But with competing incentives of suppliers and borrowers of capital in the web of institutional governance arrangements, information problems are inevitable. Understanding how local choices affect these larger trends can help national and city actors not just avoid being paralyzed by information problems, but actually improve information resolution. In this book Christine R. Martell, Tima Moldogaziev, Salvador Espinosa argue that capital markets are a viable financing alternative for subnational borrowers. They explain how subnational governments can manage their fiscal and debt choices to leverage capital markets to finance efficient, effective, and equitable infrastructure provision. The book builds on previous work by exploring the role of information institutions as they relate to the success of subnational capital markets and by advancing options for subnational government to gain agency as active market participants. With broad geographic coverage, Information Resolution and Subnational Capital Markets answers core questions: How does information permeate the landscape and outcomes of subnational government borrowing, both at the aggregate national level and at the city level? What measures and mechanisms can national and subnational governments take to resolve information problems? And, what can cities do to enhance their agency vis-à-vis central governments and capital market actors, so that they can command a voice in managing internal and external sources of capital financing?

Credit and debt are practical concerns of all times and places. They are also increasingly important topics in economic history and the social sciences, from Marcel Mauss and the anthropology of the gift to the urgent quest for understanding of today's global credit crunch. This volume brings together eight essays on credit and debt in the history of Indonesia, where for centuries debt and debt bondage played central roles in the organization of society, and where efforts to combat 'usury' an...

Credit cards -- Banks -- Bank customers.

We examine changes in bank credit across a wide range of emerging market economies during the last decade. The rich time-series and cross-section information allows us to draw broader lessons compared to many existing researches, which focus on a specific set of emerging market economies or on shorter time periods. Our results show that domestic and foreign funding contribute positively and symmetrically to credit growth. The results also indicate that stronger economic growth leads to higher credit growth, and high inflation, while increasing nominal credit, is detrimental to real credit growth. We also find that loose monetary conditions, either domestic or global, result in more credit, and that the health of the banking sector also matters. Finally, we discuss some policy lessons.

The mismatch between credit repayments and income seasonality can create serious distortions. However, typically Micro-Finance Institutes (MFIs) do not provide any adjustments due to the income seasonality. For instance in Northern Bangladesh, Income and consumption downfalls during the time of post-Aman rice plantation seasons are quite regular phenomenon which is locally known as “Monga”. Poor landless agricultural wage laborers suffer the most due to this seasonality and usually they face difficulty to smooth their consumptions. As a result, it is extremely difficult to arrange the regular weekly loan repayments of the micro-credit, which they have taken during the productive part of the year. Using field experiments through RCTs in Northern Bangladesh, we randomly assigned seasonality adjusted flexible micro-credits and traditional rigid micro-credit to different borrowing groups. Examining the repayment behavior of the borrowers in the context of geographical classifications and loan designs; employing both survey and experimental methods, this study allows us to see the consequences of flexible loan repayment rules during the lean periods, and how they affect both MFIs and participating borrowers. The findings of this study have important policy implications for MFIs and policy-makers of the developing countries.

Excerpt from North-South Finance: The Implications of Overreliance on Bank Credit The absolute growth in ldg external financing has been accompanied by substantial shifts in the composition of ldg obligations. The most striking change, documented in Table 1, is the increase in debt relative to direct foreign investment, the only significant category of risk financing for most ldcs. Total debt rose from 69 percent of total ldg obligations in 1973 to 83 percent in 1981. Further, short - term debt grew more quickly than long-term debt and debt from private sources, primarily commercial banks, outstripped official lending. However, this privatization on the lending side was not accompanied by a similar shift on the borrowing side. Rather, the proportion of long - term debt owed by or guaranteed by ldg governments rose from 74 to 79 percent. About the Publisher Forgotten Books publishes hundreds of thousands of rare and classic books. Find more at www.forgottenbooks.com This book is a reproduction of an important historical work. Forgotten Books uses state-of-the-art technology to digitally reconstruct the work, preserving the original format whilst repairing imperfections present in the aged copy. In rare cases, an imperfection in the original, such as a blemish or missing page, may be replicated in our edition. We do, however, repair the vast majority of imperfections successfully; any imperfections that remain are intentionally left to preserve the state of such historical works.

Banking system collapses have annihilated credit markets and even the few borrowers with investment grade credit ratings cannot borrow. Conditions are worse than when the monetary system collapsed in 1931. Government revenue streams have shrunk to a trickle and services have shrivelled commensurately. Benefits are virtually non-existent, so protests, civil disobedience and riots continue to rise. Developed nation hope for emerging nation growth to provide export markets vanished with China plummeting into prolonged recession. Instead, China is trying to distract its increasingly restive population from their problems with an aggressive foreign policy over military control of the South China Sea ... Can this actually happen? Indeed it can! In fact, this book is a searing indictment of the agenda now adopted by governments and central banks, which is likely to result in yet more bank failures, countries leaving the eurozone, dysfunctional capital markets and higher taxes and reduced government services and benefits. Yet it is still not too late to choose a different path that will help put capitalism back on track. Skene and Kidd outline what that path should be to ensure a prosperous rather than austere future.

Borrowing groups and credit cooperatives are potential channels through which small -scale farmers can improve their access to credit.

The Rainbow Nation benefits from an internationally competitive private sector, which accounts for roughly 70% of GDP, and extremely competitive infrastructure; its utility sector, for example, produces just under half of the total power generated on the African continent. South Africa represents by far the most developed market in Africa, but there are still some structural challenges it is grappling with. Government strategies have set a target of increasing labour market participation from 54% in 2010 to 65% by 2030, bringing the number of workers in the formal sector to 25.3m people and lowering unemployment from 25% to 6%. While its fiscal space is narrow, long-term investments in infrastructure, education and health are expected to be key to attaining its growth potential. Recent years have seen both the public and private sectors look to strengthen regulatory frameworks in mining and industry – in some cases, like the automotive sector, with impressive results.

This book examines the dynamics in capital flows, credit markets and growth in South Africa. The authors explore the role of global economic growth, policy shifts and various economic policy uncertainties. Central banks in advanced economies are engaged in unconventional monetary policy tools such as balance sheet policies, negative interest rates and extended forward guidance to assist them to meet their price, financial and macro-economic stability objectives. This book determines whether BRICS GDP growth is a source of shocks or an amplifier of global growth shocks. The authors find that global economic growth and policy uncertainty reinforce each other via capital flows, credit conditions and business confidence on the domestic economy. Furthermore, they demonstrate that there is momentum in the changes in the spread between the repo rate and federal funds rate. In addition, global real policy rates impact domestic GDP growth and labor market conditions. The authors examine the economic costs of capital flow surges, sudden stops and elevated portfolio volatility shocks and their interaction with GDP growth and credit. They show that equity and debt inflows matter in the attainment of the price stability mandate. Moreover, business confidence transmits sovereign credit ratings upgrades and downgrades shocks to the real economy via GDP growth, the cost of government debt and borrowing to impact credit growth. High GDP growth increases the likelihood of sovereign credit ratings upgrades, hence policymakers should implement pro-growth policies. Inflation regimes impact the transmission of positive nominal demand shocks to the price level. Low and stable inflation (inflation below 4.5 per cent) reduces the pass-through of positive nominal demand shocks to inflation.