

Credit Market & Economic Development of Bangladesh: Review, Impact Analysis and Constraints

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Abstract

Supply of credit and economic development are inter related. The evolution of credit is more than 9000 years back. From the very beginning of history, credit performed different types of function embedded from the transferring process of resources to the helping the poor to alleviate the poverty level. There are different views of credit, which are leveled as old views, monetary views and modern views. While monetary views preferred restriction on credit for the balanced development of the economy, the modern views have worked to diminish the credit market imperfection for the expected economic development. Because of credit market imperfection, credit was not allocated proportionately in different sectors in Bangladesh. Moreover, the total credit market was not coordinated. Here, micro credit market was remaining out of any kind of surveillance. To overcome any kind of imperfection, appropriate legal system need to be developed in Bangladesh considering the wholestic view of credit. In addition, institutional surveillance for micro credit and access to credit information is essential to overcome the market imperfection and for the economic development of Bangladesh.

Keywords

Credit Market, Economy, Bangladesh

1. Introduction

The paradigm shift of economic thought in twenty first century is that credit is no more considered as the oil of the wheel of economy, it is now considered as the wheel itself (Choudhury & Raihan, 2000). All the developed and developing countries are trying to accelerate their economic growth by supplying necessary credit as it is demanded (Cowen et al, 1987). Flexibility of credit is an important characteristic of developed economy. Most of the underdeveloped and developing countries are suffering from shortage of supply of credit. As an important agent of the economy, credit has a holistic effect on the economy. Since Bangladesh is the 'natural home' of the micro credit, there are voluminous works on different aspect of micro credit program in Bangladesh. But there is no organized effort to analyze the overall effect of credit on the total economy. In this work attempt has been taken to analyze the impact of

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credit on Bangladesh economy as a whole. Putting aside the old money view or neoclassical credit view (Trautwein, 2000) in the analysis of impact of credit on the economy, we have considered present market conditions and related theoretical issues and thereby attempt has been taken to draw a clear picture of the origin of credit and the development of credit theories.

To achieve the above objectives, data has been collected from different secondary sources including text, journals, periodicals, working papers, dailies, and web resources. Unfortunately, the academic field of credit is still unorganized. Even there is lack of authentic information about the origin of credit. In these regards, all endeavors have been made to gather trustworthy information to achieve the above objectives.

The paper primarily describes the origin of credit in part - 2 to develop a theoretical framework. Different forms of credit are mentioned in this part. Following this discussing the functions of credit is mentioned in part - 3. The credit theories are discussed in part - 4 to get the theoretical support for economic impact analysis. A detail analysis of credit market in Bangladesh is given in part - 5 mentioning the forms of credit, credit restrictions and squeeze, and problems. The most important part 'the impact analysis' mentioned in part 6. Following the analysis, some recommendations have been forwarded in part 7. Finally, the paper has been ended by drawing concluding remarks.

2. Origin of Credit

Though there is no clear evidence that when the first credit transaction took place and what was the form of that credit, but it can be assumed that the credit system began before the written word approximately 9000 years ago. It is also hypothesized that credit system helped to develop the art of writing. There is also a clear argument whether currency system developed the credit system or credit system developed the currency system. But it is well accepted that primarily people used cattle, grain, silver or anything else they could agree on to be used in transaction (Vilar, 1991). Over three thousands years ago the people of city of Uruk of former Mesopotamia first recorded the credit transaction on clay tablets mentioning who owed what to whom. Today the area is known as Warka in Iraq (Cowen et al, 1987). In the primary credit transaction interest was thought as inappropriate. However, by the time people could understand the value of money. Sumerians were the first to record the culture of interest. In Sumerian language the word 'mash' was used to mean interest, which stands for 'giving birth'. The concept of returning more from the original or 'giving birth' came from lending cattle. Because the original number of cattle increased by year by giving birth on which lender claimed their share.

The first credit regulations were developed in the area of interest, exoneration of debt, and the extension of credit in the tenure of Hammurabi (1792 to 1750 BC). At that time written draft and negotiable bonds were developed as credit instruments. Though Mesopotamians used copper currency and the silver bar was used as currency as far back as 2500 B.C., but the first minted coin was

well accepted in 546 B.C. by many people and it was well known as Athenian silver 'owls'.

Over the time, different forms of credit have been developed. Trade credit is the earliest form of credit. Other forms of credit are primarily classified as bond, household credit, bank credit, industrial credit, agricultural credit, micro credit, bank loan, government loan, treasury bill, preferred share, and leasing. The recent forms of credits are credit by electronic plastic card, micro credit, building society credit, low cost social fund, and factoring. A detail list of the forms of credit has been given in the appendix to limit the size of the main work. The detail of different forms of credit in Bangladesh is discussed in part -5.

3. Functions of Credit

In the modern days it is impossible to consider a nation state without a credit system. Credit facilitates to transfer the property from one hand to another. It's a supporting system to the currency system to accelerate the economy. Over dependency on the credit system in some developed countries is turning the role of credit from supporting to system executing. For example: under online-based modern banking and commerce system (e-banking & e-commerce) credit is the prime system factor where currency unit is supporting the online-based credit system. Having a strong credit system is indispensable for the economic development in the modern world (Morduch, 1998). Credit helps to generate employment by transferring funds from savers to investors and brings the property in use that otherwise would remain idle.

Credit extends its hand not only to the rich but also to the poor people. Credit is playing its major role in poverty alleviation from the very beginning of the history. Extreme poor people need credit to mitigate their poverty level. Credit helps the poor people to manage their livelihood in the short-run and diminishing the poverty level in the long run (Ghatak & Siddiki 1998). In recent years, micro credit movement in the third world countries has proved that there is no alternative of credit to overcome the poverty trap. A research on Grameen Bank in Bangladesh – 'the first micro credit bank in the world', identified that people receiving credit from the bank perform better in minimizing the poverty problem than non-receiving people (Pitt et al, 2003). On the other hand, large-scale industrial enterprise required credit to overcome its working capital problem in the short-run and investment problem in the long run. Either in developed or developing countries, business enterprises offer credit to the buyers to maintain business growth and to keep the time lag in seasonal fluctuation.

4. Theories of Credit and Economic Development

The power of credit in the economy was not clear to the economist till eighteen century. It is not surprising that early economist theorizing the economic system as pure currency system. The first organized work 'Paper Credit' was presented by Thornton (1802) supporting the credit approach to the nature of money.

Thornton and his fellow members established the banking school and applied the Ricardian long-term analysis of value theory in real bill doctrines. Following the work of Thornton, early important contributors in the field of credit were MacLeod (1876), Wicksell (1898), and Hahn (1920). Early contributors gave importance on bank loan, investment and employment. But the old view could not properly reflect the importance of credit to the economy because of limitations of economic activities at that time. For example, MacLeod (1876) defined "Credit is anything which is of no direct use, but which is taken in exchange for something else, in the belief or confidence that we have the right to exchange it away again". Trautwein (2000) named their work as old view of credit.

Another dimension of credit theory was forwarded by John Maynard Keynes (1909, 1930, and 1936) under standard money view. The basic concept of money view is that the money supply is autonomously determined by the authority and the supply interacts with the demand for real balance. This concept is the basis for IS / LM model in the macro economic analysis. Keynesian view was based on underemployment equilibria on requisite financial constraints. These constraints were explained by the interest elasticity of money demand. Though Keynes is not a pure monetarist, but Keynesian, monetarist, and neoclassical economist argued that bank loans (assets in balance sheet term of bank) play no specific role since other financial assets like bonds can act as perfect substitution of bank loan. The framework of Keynesian and monetarist view is based on supply and demand for money to hold. Modern Economist expectedly criticized the above view in the line 'from money to hold to money to spend'.

The modern view of credit has developed by criticizing the shortcoming of monetary view regarding perfect substitution of bank loan (Calomiris and Hubbard 1990, Bernanke and Blinder 1992, Friedman and Kuttner 1993). In addition to this, two more areas of analysis have been developed: one is information regarding risk and return (Stiglitz and Weiss, 1992), and the other is borrower's net worth (Bernanke 1983, Kiyotaki and Moor 1997). According to Barnanke and Blinder (1988), the balance sheet constraint of commercial banks is:

$$L^s + B^b + E = D(1 - a)$$

This equation is based on four balance sheet components of bank. In the bank balance sheet, deposit (D) is the only kind of liability and the assets are loans to firm (L^s), bonds (B^b) and Reserve (R). But there are two kinds of reserves: one is required reserve (aD) and the other is free reserve (E). The loan supply to firms (L^s) depends on the expected rates of return (i_L, i_B). So the loan supply equation is:

$$L_s = \lambda(i_L, i_B) D(1 - a)$$

In the above view, credit rationing and cash factor are fully ignored. The free reserve (E) depends on only and negatively on the bond rate. Since this model ignored the credit rationing, Neo-Keynesian has criticized the model. Most of

the countries in the world still prefer some sort of intervention in the monetary policy.

Unlike other modern economists, Carranza (2000) for the first time relates the market imperfection with humped-shaped behavior of the growth rate using cross-country data analysis. In her model economy analysis, she depicted different market dynamics. We have shown our specific interest on her proposition no 5 of underdevelopment stage since it is related to the economic and market condition of Bangladesh. She argued that in the early stage of development there are only a few entrepreneurs who can use abundant labor and credit with lowest level yielding wage (D) and interest rate (z). In this situation she assumes that if there is no severe restriction on credit a poor economy can develop into a rich one. She also mentioned that imperfection in the credit market is responsible for inefficient allocation of resources in this economy.

5. Credit Market in Bangladesh

Credit Market in any country is a very strong part of total financial sector and the economy as well. The financial sector of Bangladesh is strongly dominated by commercial banks, especially by nationalized commercial banks (NCB). The credit market in Bangladesh is characterized by few credit instruments because of strong presence of government in the credit market. Like other developing or underdeveloped countries, government of Bangladesh (GOB) is receiving an important part of its budget deficit from local credit market through banking sector. In the fiscal year 2002-03 government financed 20% of its budget deficit by borrowing from banking sector. Till April 2000, Bangladesh government received an amount of TK 201.89 billion as credit from banking system, which was 28.34% of total deposit collected by the banks (Aims, 2001). The amount was used to subsidize the poor performed state owned enterprises (SOE).

The credit market in Bangladesh can be divided into two classes: 1) rural credit market and 2) city credit market. The rural credit market is mostly quasi-form micro credit market. There are four types of organizations dealing with micro credit. These are: i) Grameen Bank, the first micro credit bank in the world established by Professor Dr. Mohammed Yunus to forward the micro credit movement. ii) Non-Government Organizations (NGOs), around 1500 NGOs are working to solve the micro credit problems in Bangladesh iii) Commercial and Specialized banks like Bangladesh Krishi Bank (BKB), Rajshahi Krishi Unnayan Bank (RAKUB) and iv) Government sponsored micro credit Programs like BRDB, Swanirvar (self-reliance) Bangladesh, RD-12 etc.

Only commercial and Industrial financial institutions are under regular institutional surveillance by central bank. But Micro financial institution like non-government organizations (NGOs) and different rural cooperatives or bodies are out of any formal control of central bank. The problem has evolved basically because of poor infrastructural condition and pattern of credit market. Since only schedule banks have the right to collect the deposit, the central bank supervises the activities of schedule banks and financial institutions. NGOs or

other lenders cannot legally collect deposit from the people. They do business based on own fund. The market share of banks in rural credit market is 34.75%, whereas the market share of micro financial institutions (MFI), money lender, SAMITY (association), relatives / friends and others are 33.16%, 25.19%, 5.83%, .80% and .27% respectively (SAPARI rural survey, 1999), i.e. non-banking institutions are holding the major share of rural credit market.

The credit market in Bangladesh is very limited for trade and consumer credit because of lack of legal support to use movable property as security (Welsh, 2000). In Bangladesh, in personam – ‘a right against a person’ is widely used for trade or consumers credit where court decisions and legal comments of different verdicts are the only umbrella for legal support in transactions. But the major bottleneck is the creditor in-rem right – ‘right on property’ does not arise until the creditor obtains an execution order to enforce the charge. Because of this legal bottleneck, consumer credit system has developed to its limited scale bounded by the banking channel in Bangladesh. Even the majority of credit seeker can not afford the credit only because of lack of collateral. In the SAPARI survey (1999) it is found that 43.33% customer was refused for credit because of failure to provide collateral. To fill up these vacuums of credit and to make familiar with advanced form of credit, Visa and Master Credit Card Companies have started their operations in 1997. But the service is very limited between two major cities – Dhaka and Chittagong. In addition to these, the service is restricted only for high credit rating individuals generally holding lofty salaried service. As a result, mass people have no access on any form of consumer credit. Consequently, business and industrial growth are suffering exaggeratedly.

Regarding credit restrictions and squeeze, Bangladesh government has taken different initiatives for credit restrictions. But there was no evidence of attempt taken by the government or its bodies to squeeze the credit. Generally, credit squeeze refers to the control of credit by increasing the interest rate or by controlling the lending capacity of banks and changing the hire purchase regulations. These measures are taken to control the money supply in inflationary condition. On the other hand, credit restrictions are used to flow the credit to proper direction, to minimize the misuse of credit. Bangladesh is badly suffering from default culture of bank loan. The default culture has created a huge classified loan amounted TK 242.75 billion till June 2000 which is 32.4% of total deposit collected by the banks at the same time. Among the classified loans the share of nationalized commercial banks (NCB), privatized commercial banks and foreign banks are 44.62%, 25.78% and 3.74% respectively. As a result, high credit restrictions have been imposed by centralizing the loan approval capacity of banks.

6. Impact of credit on the Economic Development of Bangladesh

The impact of credit on economic development can be measured by two ways. One is objectivity analysis of the credit based on target group and the other is criterion analysis by econometric modeling of factors based on some selected economic indicators of macro economy. As a member of third world country, the data regarding sectoral economic indicators of Bangladesh is not available and it is quite difficult to collect dependable data in Bangladesh. Considering the above situation an objectivity analysis technique is used to discuss the impact of credit on the economic development of Bangladesh. In this regard, we distinguish formal credit from micro credit using institutional and regulatory control on credit and related aspects. The credit issued by the institutions which are under the regular monitoring system of Bangladesh Bank and where credit has to be approved as per the guideline of central bank is considered as formal credit.

6.1 Formal Credit

In Bangladesh, formal credit is playing an enormous role to the sectoral development. Generally, credits are issued by different financial intermediaries: typically a bank, building society, insurance company, finance house, or credit card company (Howells et al, 1993). Unlike developed countries there is no building society in Bangladesh. Banks, finance houses and credit card companies extended credit as intermediaries. Insurance companies are issuing short-term loan basically for 1 to 3 months duration. Long-term credits are issued by the commercial and specialized banks. Commercial banks are issuing both short and long-term credit. All commercial banks are scheduled bank, which are bound to follow certain rules and regulations of central bank.

Though there are some differences among the objectives of nationalized, privatized and foreign commercial banks, one common objective is to extend credit to the thrust sector as per the direction of the government. In table – 1, it is found that trade is the highest credit receiving sector followed by large-scale industry and agriculture. Unfortunately, the distribution of credit to agricultural sector is falling drastically. Over the period from 1990 to 1998, the allocation of credit to agricultural sector has fallen by around 50 percent though it is one of the thrust sector and prime sector of the economy (Please see appendix) and from 1998 to 2003, the credit allocation in the sector declined steadily. On the other hand, small-scale industry is fully ignored in credit distribution over the time and only 0.57% of total credit went to small scale and cottage industry. The table clearly revealed that the credit allocated to small-scale industry, fishing, and transportation is very poor.

Table 1: Sectoral Distribution of Advances by Schedule Banks (% of Total)

Sector	1998	1999	2000	2001	2002	2003
Agriculture	12.23	13.53	13.14	12.02	11.27	10.12
Fishing	1.43	1.32	1.08	1.04	0.51	0.41
Forestry	.02	0.03	.01	.01	.01	0.02
Large and Medium Scale Industry	27.99	27.63	25.18	23.53	19.00	18.39
Small Scale & Cottage Industry	1.53	1.60	1.31	1.26	1.16	0.57
Working Capital Financing:	10.45	10.61	8.81	8.33	17.30	16.98
Large and Medium	9.08	9.44	7.74	7.47	16.28	15.88
Small Scale & Cottage Industry	1.37	1.09	1.07	0.86	0.96	0.97
Construction	5.36	6.08	5.66	5.60	6.78	7.21
Electricity, Gas Water and Sanitary	0.02	0.02	0.03	0.16	.00	0.01
Transport and Communications	1.41	1.41	1.42	1.55	1.50	1.29
Storage	1.47	1.49	1.59	1.34	1.07	0.84
Trade	28.41	26.99	30.66	30.55	31.76	34.19
Export	5.98	5.73	7.07	6.48	5.09	5.22
Import	6.71	4.82	7.23	7.03	8.52	10.07
Miscellaneous	8.69	9.30	11.10	14.61	9.31	9.42

Source: Bangladesh Bank. Scheduled Bank Statistics, Various Issues

To understand the effect, let us have a look carefully at table – 2 where sectoral contribution to GDP has been considered. In the following table, it is found that credit is not properly allocated to the agricultural sector and small-scale industry. Consequently, small-scale industry and agricultural sector failed to flourish as per the expectations. The country failed to get the expected growth from the industry sector as the sector is suffering from bad loan. This bad loan culture has been generated because of incentive problem of the borrower

(Trautwein, 2000). Under the imperfect market condition if there is no proper disclosure of borrowers' information, the incentive problem will arise and borrowers will divert the borrowed fund to other purpose. In the case of Bangladesh, with inadequate legal framework this incentive problem has created a bad loan culture. Since the government has taken an initiative in eighty's decade to promote the industrial sector by flowing credit to the industrial sector without analyzing the market condition, a bad loan culture has been created.

Table 2. Credit Allocation Index: Ratio of GDP Proportions to Advance Proportions

Sector	1998	1999	2000	2001	2002	2003
Agriculture	1.78	1.63	1.73	1.84	1.96	2.14
Industry (Manufacturing)	.38	.38	.42	.45	.40	.42
Construction and Housing	1.32	1.21	1.33	1.39	1.96	1.15
Power, Gas, Water and Sanitation Services	135	68.5	46	8.81	8.53	10.64
Transport, Storage and Communication	3.04	3.05	2.94	3.14	3.60	4.42
Wholesale & Retail Trade	.82	.80	.82	.79	.80	.79

Source: Own calculation based on GDP data collected from Bangladesh Bureau of Statistics (BSB) Hand Book and Advances data collected from Schedule Bank Statistics, Bangladesh Bank, Various Issues.

Table - 2 also shows that credit has not been allocated expectedly to the infrastructural sectors. As a developing country, Bangladesh should give importance on infrastructural development by flowing credit to the infrastructural sectors. A priority and proportionate allocation of credit to different sectors is essential for the harmonious growth of the economy by providing interest rate incentives. In the SAPARY (1999) survey it is found that 60% of small businesses have no access to any kind of formal credit. It is one of the major impediments for the development of the small-scale industry. If we consider Table - 1 and Table - 2 at a time, it is found that the allocation of credit to small-scale industry did not increase significantly though their contribution increases dramatically. Small-scale industry should have access to credit at least considering their contribution. The scenario is very frustrating for the macro economy of Bangladesh.

6.2 Micro Credit

The number of clients of micro credit industry in Bangladesh is the largest in the world (Uy & Zaman, 2003). Bangladesh is considered as the 'natural home' of micro credit that boost the image of the country abroad. Different studies have shown that the micro credit industry in Bangladesh has positive impact on improving social indicators and achieving financial sustainability. The economic impact of the micro credit is controversial because of several reasons but the social impact of micro credit industry is outstanding.

The core objective of the micro credit programs is to extend credit to the poor people who have no access to formal credit because of lack of collateral. Instead of collateral micro credit institutions approve credit based on group responsibility where clients are asked to form a group and the credit is approved to individual with group responsibility. As we mentioned earlier, there are different kinds of institutions providing micro credit to poor people, but there is no supervisory body to monitor the micro market in Bangladesh. Even all the NGOs are not under the same authority. In this regard, getting a clear picture about micro credit program in Bangladesh is very much difficult. However, the data collected by Credit Development Forum (CDF), an NGO who collects data on NGO activities, exposes that 629 NGOs have mobilized 13.85 million poor people under their micro credit program. These people are under absolute poverty level and are 11.24% of the total population of the country. Among them 11.85 million are women and only 2 million are men. Most of the people are from rural area and about only 10% are from urban area.

Several studies have been conducted to identify the achievement of micro credit program on economic issues. The core objective of micro credit organizations is under question. A study conducted by Khandaker (1998) revealed that access of poor people to credit significantly reduces poverty. But in the same year Morduch (1998) of Harvard University found that the basic achievement of micro credit program is reducing the vulnerability not the poverty. He found that overall poverty condition of the country has yet to improve significantly. But the consumption variability of the clients has been changed dramatically. This is because of failure of micro credit institute to reach the hardcore poor people (Haque & Rashid 2002). One aspect of this is because of high interest rate. If the clients fail to generate necessary profit to pay the interest and to manage their livelihood, the clients would remain under poverty trap (Montgomery et al 1996). The rate of interest is very sensitive issue for the policy makers. Since the managing cost of *small amount of credit is very high* in the rural area, the rate of interest of micro credit institutes is higher than the

interest rate of commercial banks. So, the government intervention to reduce the interest rate might be harmful for the survival of the micro credit institutes (Uy and Zaman, 2003). In general, commercial banks fix-up their rate of interest based on bank rate of central bank but micro credit institutes has no such guideline. In addition to above impacts, micro credit diversifies income-generating source, builds assets and empowers the women (Hashemi et al 1996, Montgomery et al 1996, Morduch 1998, Husain, 1998).

7. Recommendation

In the imperfect credit market condition government should properly monitor the monetary policy to guide the financial institutions for the overall economic development. Because of inadequate legal framework and unstructured market condition an imperfect credit market (Trautwein, 2000) has been created in Bangladesh, which is not different from most of the developing countries. Considering the modern credit view for economic development (Carranza, 2000) Bangladesh should take initiative to turn its single digit economic growth rate to double digits economic growth rate. In this purpose, following recommendations have been forwarded:

Firstly, a comprehensive study of legal framework is essential to study the present business laws to make it congruent with modern market conditions. The important areas are sales of goods act, consumers' right protection act, Bankruptcy act, and the negotiable instrument act. The legal support will help the lenders to diversify the credit products.

Secondly, extending the credit ratings of Credit Information Bureau (CIB) of central bank to the general lender or non-schedule financial institutions is the demand of time. At present, the CIB is distributing credit rating to the schedule banks only. But the other lenders have no access to the information.

Thirdly, present restrictions (centralization) on credit approval should be removed on step by step. Instead of this, government should provide support to develop capacity building of financial institutions to protect their funds and general savers deposits.

Fourthly, government should actively sell the poorly performing state owned enterprises. It will minimize the government borrowing from banking sector and diversify the credit market.

Finally, there should have a supervisory body to coordinate the micro credit activities of different forms of institutions. The supervisory body can guide the micro credit institution to reach the hardcore poor people.

8. Conclusion

Imperfect credit market in Bangladesh has created severe problems for the economy of the country. In one hand, it has created bad debt culture and on the

other hand slowdown the economic growth of the country. Partial treatment taken by the government could not solve the problems. In this regard, a concentrated effort and a wholistic approach are essential for the development of credit market and the development of the economy as well in Bangladesh. Developing legal framework, making available credit information to the public, removing the unexpected restriction in step by step, creating more room for the private enterprise in the credit market, and establishing a supervisory body for the micro credit institutes will help to overcome the market imperfect condition. Successful implementation of the recommendation will bring a break-through in economic activities. But all the recommendations should be implemented in a concentrated way. Otherwise, it will not bring any success for the country.

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Appendix: 1**Forms of Credit:**

Trade Credit

- Bill of Exchange (Foreign or local)
- Letter of Credit
- Promissory Note
- Cheque
- Factoring

Household Credit

- Consumer credit
- Mortgage

Bank credit

- Hire purchase
- Mortgage
- Factoring
- Advances

- Overdraft
- Personal loan
- Bridging loan
- Farming advance
- Probate Advance
- Business development loan
- Business expansion loan
- Business start loan
- Farm development loan
- Home improvement loan
- Small firms guarantee scheme
- Personal credit plan

Industrial credit

Agricultural credit

Micro credit

Bank Loan

Government Loan

Bond

Treasury Bill

Preferred Share

Leasing

Credit by Electronic Plastic Card

NB: The forms of credit have been developed by gathering information from different text and web sources

Appendix: 2

Table 1: Sectoral Distribution of Advances by Schedule Banks (% of Total)

Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998
Agriculture	21.07	16.62	17.75	16.70	17.32	16.31	15.36	14.09	12.23
Fishing	1.62	1.62	1.59	1.51	1.42	1.29	1.08	1.08	1.43
Forestry	0.01	.01	.01	.01	.01	.03	.02	-	.02
Large and Medium Scale Industry	25.39	26.48	25.76	26.22	24.16	26.71	25.72	26.56	27.99
Small Scale & Cottage Industry	1.13	1.35	1.41	1.39	1.61	1.51	1.09	1.43	1.53
Working Capital Financing:	9.72	9.94	9.14	9.07	11.09	9.35	11.73	11.43	10.45
Large and Medium	8.69	8.72	8.05	7.92	9.73	8.01	10.30	10.02	9.08
Small Scale & Cottage Industry	1.03	1.22	1.09	1.15	1.36	1.34	1.43	1.41	1.37
Construction	3.89	4.92	5.12	5.19	5.57	5.40	5.35	5.60	5.36
Electricity, Gas Water and Sanitary	0.18	0.26	0.02	0.09	0.21	0.10	0.20	0.03	0.02
Transport and Communications	1.47	1.58	1.51	1.33	1.37	1.56	1.48	1.50	1.41
Storage		0.87	0.83	0.80	0.94	0.89	1.25	1.12	1.47
Trade	46.25	31.76	32.69	32.18	29.94	29.59	28.93	29.00	28.41
Export	9.08	4.64	5.31	6.09	6.20	5.81	5.27	5.63	5.98
Import	19.67	6.12	6.66	5.61	6.43	6.55	6.21	7.03	6.71
Miscellaneous	1.14	4.60	4.77	4.92	6.37	7.26	7.74	8.17	8.69

Source: Bangladesh Bank. Scheduled Bank Statistics, Various Issues