

CHAPTER VII

CONCLUSION

In our present day economy where money plays a vital role it is inevitable that the need for borrowing becomes an important facet of life. However the effectiveness of the sources of credit made available to the public is diminished by the rigidity of lending policies. Accessibility has also been a mitigating factor. Although credit facilities are obtainable through the various channels of finance and their scope extended, failure on the part of the public to avail themselves to and approach the proper authorities will still render these facilities inaccessible. Accessibility therefore is a reciprocal process, not entirely the responsibility of financiers; the public must at least identify their needs and seek the assistance required.¹ In this respect what is important is a self-reliant and resilient society which will endeavour to help themselves in availing all credit facilities at their disposal.

The limitations in the lending methods and policies of the financial system, ranging from large commercial banks to the smallest credit or borrowing companies, have contributed to the perpetuation of the moneylending business. To the degree these limitations have

¹ Malaysia, Third Malaysia Plan 1976-1980, Government Publications, Kuala Lumpur, p. 31

inhibited the reliance of the public on banks and financial institutions, they have conversely increased public dependence on moneylenders and ensured the continued demand for the services which they provide. A fair conclusion that can be derived from the above argument is one which favours a balancing as it were of the roles and functions of the two. It is impractical for the institutionalised channels to do away with their lending policies and procedures altogether although they may be filled with bureaucratic controls and red tape, but it is desirable for moneylenders to be effectively emplaced in the economy such that the void created by the former because of their rigid nature, can be filled by the latter in a more controlled and contained manner. This may entail the tightening of the legislation by way of enhanced punishment; and the education of the public or masses. These measures may possibly eliminate the ills of the moneylending business.