

Green Banking in Current Era: A Conceptual Approach

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Abstract: *Green monetary techniques solidifying operational upgrades, development, and changing client affinities in the banking business. It is a commonly favourable course of action for all to get benefits from an unyieldingly genuine business focus. Allocation of greener monetary practices will not simply be useful for the environment, yet moreover advantage in more unmistakable operational efficiencies, a lower shortcoming to manual goofs and distortion, and cost diminishes in monetary activities. Banks are as of now offering an enormous number of organizations significant for associations to see the value in these benefits. This paper has made an undertaking to highlight the huge benefits, challenging troubles, key pieces of Green Banking. It has also presented the circumstance with Indian banks taking everything into account. It is found that there has not been a ton drive in such way by the banks in India, anyway, they expect a working part in India's emerging economy. Banks should rehearse ecological mindfulness and play a virtuoso-dynamic task to take regular and natural perspectives as a part of their advancing standard, which would oblige endeavours to go for the requested endeavour for normal organization, usage of appropriate headways, and the board systems. They ought to be more vocal about the natural green offer.*

Key Words: *Green Banking. Sustainability Banking, Green Finance, Ethical Banking.*

1. INTRODUCTION:

Green Banking is a new phenomenon in the financial world. Banks as the financing agent of the economic and developmental activities have an important role in promoting overall sustainable development. Green banking is the term used by banks to make them much more responsible to the environment. The term green banking means developing inclusive banking strategies which will ensure sustainable economic development. Green Banking entails banks to encourage environment friendly investments and give lending priority to those industries which have already turned green or are trying to go green and, thereby, help to restore the natural environment. Green banking means combining operational improvements, technology and changing client habits in banking business. This paper is likewise an endeavour to bring into the pursuers notice that the situation of our tendency. Thus, the possibility of economic improvement is dealing with the need of the current age without placating the necessities of the forthcoming age. (Kaimal and Sajoy, 2020) It gives rise to green advertising and afterward to green banking (K.V and Sudhakar, 2017). It is tied in with satisfying needs and searching for a feeling of equilibrium among individuals, the climate, and the economy. Green Finance or Green Banking alludes to assorted monetary administrations and items gave by monetary organizations for the maintainable turn of events (Asif Pervej, 2020) (UNEP FI, 2007). Green Banking is a Corporate Social Responsibility activity to make the general public liveable without any broad mischief to the climate. It is required for the economic advancement of the country. It is unique from conventional banking. It is additionally called a moral and supportable bank that ponders every one of the social and natural components to secure the climate and save normal assets. Scholarly interests in this idea have been on the increment since 2011. The financial movement has started making a dubious and unpredictable recuperation from the interesting steep melting away in the restoration of the COVID-19 pandemic. Coronavirus is additionally one of the human-made catastrophes. In this express, a methodology utilizing a powerful stochastic general balance (DSGE) model based on New Keynesian establishments offers an uncertain and prompt valuation of the feasible aftereffect of COVID-19 and the subsequent lockdown on the Indian economy. Coronavirus 19 and the lockdown can affect the economy through different channels.

2. OBJECTIVES:

This manuscript intends to recognize the prevailing research works on the field of Green Banking. We investigated the prevailing research works on green banking and tried our best to present our views. We have also gone

through the publications in different journals to recognize the prospective progress of this area. We have enlisted some objectives:

- ❖ To categorize the existing literature on Green Banking by year, journals, countries, etc.
- ❖ To describe and summarize how Green banking played a vital role during these lethal pandemic times.
- ❖ To categorize key gaps in the existing research and present the limitations as the prospective research agenda.

3. METHODOLOGY:

Our paper will present an orderly assessment of available literature, on the Green banking aspect. The benchmarks, we have followed to categorize the existing studies for review processes are:-

- ❖ The paper should be published in the last decade in a reputed journal. We have also considered the data from textbooks, websites, detailed reports and various publications from diverse organizations/government, dissertation reports of different degree students, papers that are under process, and publications in national/international conferences.
- ❖ The papers which we have taken into consideration are from different countries and those articles have already been published in well-recognized journals.
- ❖ We have taken into consideration a count of 20 papers which has been published over a past decade.

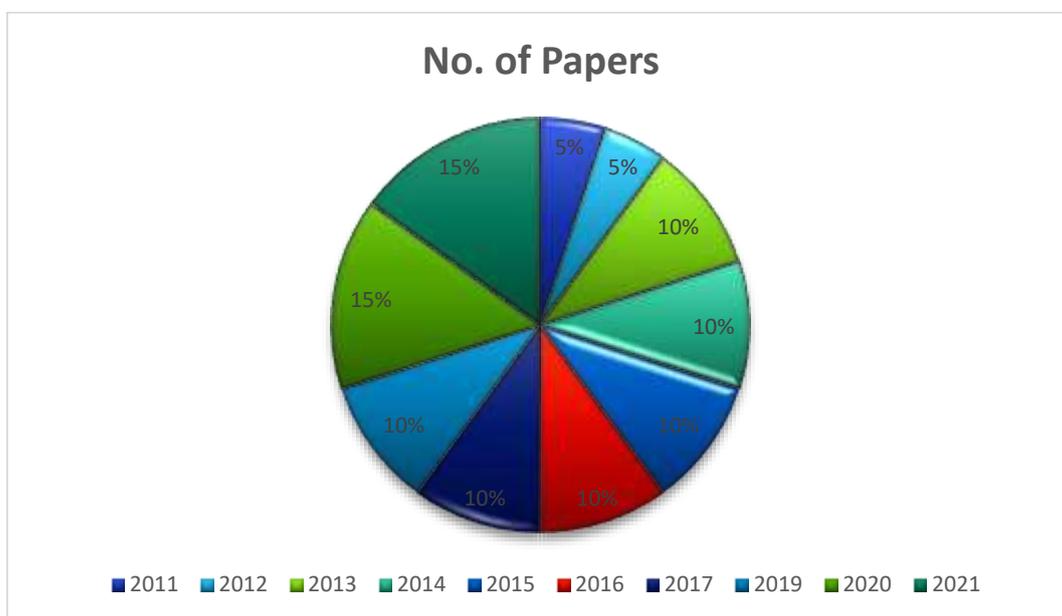


Figure 1- Data of reviewed paper throughout the years

4. LITERATURE REVIEW:

Mr. Nigamananda Biswas (2011) has studied in his paper that, how environmental issues have gained much more importance in the recent era and how all sectors are trying to implement "Green" initiatives for reducing the environmental issues. He has briefed about green banking and its usefulness in financial sectors in his paper. He has highlighted the major benefits of green banking. In his paper, he has also illustrated the confronting challenges and strategies for approaching and initiating the green banking system. **Sarwar Uddin Ahmed (2012)** has done his studies on upcoming future changes in the field of green banking. In his article, he has put light on the products that can be used in green banking to make it more effective. He has also described the future issues that an organization can face after adopting green banking techniques in his paper. **D. Kandavel (2013)** has done deep research on how private banks in India are adopting green banking techniques for the betterment of the environment. In his paper, he has demonstrated the whole idea behind green banking and how it is useful for the environment and mankind. He has also covered the points that can make green banking more effective in his paper. **Ravi Meena (2013)** has done a deep study on green banking techniques which is helping mankind to reduce the depletion of the environment and maintaining the ecological balance on earth. In his paper, he has covered the advantages of adopting green banking and the steps being taken by Indian banks to promote green banking. He has also given the plan of action for promoting green banking in his paper. **Sreesha Ch (2014)** has done a deep study and research on green banking, an initiative to save the earth and the environment. In her research, she has discovered the primary actions of the private and public banks in India in support of green banking. She also tried to introduce the plan of action of RBI for encouraging green banking in India. She has

also discovered the practices being done by Indian banks in support of green banking. **Vikas Nath, et al. (2014)** have studied that how recent natural calamities are forcing us to think about the green initiatives to save this earth. In their paper, they have tried to pen down the environmental and social guidelines formed by the World Bank for financial companies. They have covered the plan of the action of the financial institutions under the green banking system in their research. They have also discovered how adopting green banking can help the environment to save for future generations. **Resi Juariah Susanto (2015)** has shown that how green banking is a boom in the banking sector. He has covered the usefulness of green banking on banks in his article. In his article, he demonstrated that green banking techniques are good for both consumers and organizations. **Adeboye Oyegunle & Olaf Weber (2015)** aimed to demonstrate the advancement of using green banking techniques to reducing the use of natural resources. They tried to put light on how we are misusing natural resources for the growth of mankind in their paper. They have also added the figures and facts of different countries for are using green banking to reduce the use of natural resources. They have also researched that by using a green banking system how we can minimize the depletion of natural resources and save the natural resources for future generations. **Dr. Bibhu Prasad Sahoo, et al. (2016)** have studied the difficulties and possibilities in using green banking in India. They have collected data from different sources and have done a statistical test for getting accurate assumptions for using green banking and achieve the objective of the study. After doing all the statistical tests they find that green banking is one of the best techniques for sustainable development and reducing the depletion of the environment. **Neeru Kapoor, et al. (2016)** have studied that how green banking can meet the needs of the present without compromising the ability of future generations to meet their own needs. In this paper, they tried to conclude that how effective we can use green banking in the banking sector without damaging the environment and what strategies we can adopt to make green banking effective. **Dr. Nirav R. Joshi & Prof. Suraj M. Shah (2017)** have done deep research on green banking and described it as a useful weapon for reducing the depletion of natural resources and saving them for future generations. They have explained the benefits of green banking techniques on the environment in their paper. In their article, they have also described the plan of action in the future under green banking techniques. **Dr. Giridhar K.V & K.G Sudhakar (2017)** have done their studies on hurdles behind adopting the green banking system in India. In their research article, they have discussed the major problem while adopting green banking and the future hurdles being faced by the organization while adopting green banking. **Dr. S.R. Easwari and Dr. L.Sankari Priya (2019)** have studied the information a customer is having about green banking techniques. Through their research, they wanted to know about the knowledge among consumers about green banking. And on valid results, they have also shared the plan of action the organization should take to encourage green banking. **Rekha Rai, et al. (2019)** have done a deep exploration of the green banking system and thinking of the people who are availing the services under green banking. They have also covered in their paper that how adopting green banking is helpful for the environment and other environmental issues in their article. They have also discussed the benefits of green banking on the ecosystem. **Herath H.M.A.K, Herath H.M.S.P (2020)** have done a deep study on the concept of green banking and its impression on the customers who are availing it. They have described that how the green banking system is helpful to the customers in their paper. In their paper, they have also illustrated the traits of green banking initiatives, the quality of services and the customer's satisfaction, and the relation between them. **Mohamed Bouteraa, et al. (2020)** have done a deep study on the initiatives being taken by Islamic and western countries under the green banking system. They have also discussed a different plan of action for these countries in their paper in support of green banking. They have also described the interrelation between religion and the green banking system in their research paper. **Huidong Sun, et al. (2020)** have done a deep study on the green banking system being initiated by organizations and their corporate social responsibilities towards society. They have also discussed how initiating green banking can encourage the organizations for their social responsibilities in their paper. **G. Nandini Prabhu (2021)** have done deep research on green banking and its method. In her research she has also discussed the fund raised by the organizations and government in support of green banking system. In her paper, she has also discussed the practices that are being taken by the various banks for encouraging the green banking system. **Isaac Akomea-Frimpong, et al. (2021)** have done a deep study on green banking and its plan of action. In their paper, they have described the plan of action of each organization in upcoming years. They have also discussed the services under the green banking system in their paper and how the organizations are encouraging the green banking system. **G. Srividya & B. Vijayalakshmi (2021)** have studied that how Covid 19 has evolved into a new model under the green banking system in India. This pandemic has brought drastic changes in every sector including the banking sector. In their paper, they have demonstrated how the use of green banking has increased during this death theft pandemic.

5. DISCUSSION:

Green banking is a proactive method of future supportability, yet banks in India are running behind their partners from created economies. They have begun receiving green practices, yet at the same time, their effect on the climate is expanding. **Stead (2007)** had examined the dark characteristics of banks. A few banks had guaranteed about putting resources into green organizations and dropping their nursery outflows, however developing business in the financial

area implied more representatives working in the sufficiently bright workplaces nonstop on more PCs, requesting greater power, which was regularly made by consuming carbon dioxide and more air travel which were the critical wellsprings of a worldwide temperature alteration.

In **Chadical and Misra (2015)** a bank is a monetary organization occupied with such countless monetary exchanges and exercises through its site, as monetary exchanges, oversee banking efforts, helping an endeavour to distinguish and focus on their best clients, development of individualized associations with clients, clients fulfilment and augmenting profiles and so on. Site of the banks are guaranteeing its e-administration quality by supporting the clients in their financial exchanges with which the client feels better relationship the board through the institutional site. Web banking, internet banking, or site-based financial administration ideas are new in arising countries like India and are ready to change the face of banking administrations. The dissemination of new advances with easy-to-use administration dissemination models is assumed to improve the financial administrations and creating clients relationship. Administration quality is discovered to be a solid indicator of consumer loyalty (**Cronin a Taylor, 1992; Cronin et al., 2000; Dabholkar et al., 2000; Spreng and Mackoy, 1996**). In conventional retail banking administration quality measurements of rationale execution, center performance, and highlights execution were discovered to be huge indicators of consumer loyalty (**Levesque and McDougall, 1996**). Different investigations have been led in the comparative region, wherein financial help quality measurements have been tried as indicators of clients' fulfilments (**kreppa et al., 2003; McDougall and Levesque, 2000; Ndubisi and Wah, 2005**). If there should be an occurrence of robotized banking administration quality measurements have been found to influence consumer loyalty (**Al-Hawari and Ward, 2006**). Green banking can be proficiently executed using innovation. A bank can make improvements in the operational region by supplanting everyday dispatch administration with filters and electronic conveyance. Workers can be sent checks and repayment checks electronically to save paper. Execution of the web-based financial framework can likewise prompt an expansion in client accommodation, a decrease in the expenses brought about by the banks, and an improvement in financial execution. (**Chadical and Misra, 2015**) Green financial capacities too. To begin with, it focuses on the green redesign of the inward tasks 171 of all banks. It characterizes that banks, in their exercises, must execute legitimate methods of using sustainable power, turn to computerization and extra methodology to diminish carbon reliance. Second, all banks should consent to environmentally reasonable financing, underscoring the natural risks of tasks under the watchful eye of making financing decisions. Online asset moves, covering bills on the web, distant stores, what's more, online assertions are as of now a couple of steps towards green banking. Web-based banking may create reserve funds from less paper, less force, and fewer costs of normal resources from banking exercises. Any of these individual banking exhibitions can aid natural assurance. (**Shamir, 2015**).

6. LIMITATIONS & FUTURE RESEARCH SCOPE:

No examination is insusceptible to limits. The current examination experiences the accompanying impediment:

- ❖ The creators feel whatever exploration has been done to date isn't sufficient. Thus, we need to do huge exploration in this point to get greater celerity on this.
- ❖ The papers which we have considered do not address every one of the areas. A more extensive investigation of various areas will add solidarity to these discoveries.
- ❖ The current papers in Google researcher don't address the distinctive geographic areas. So this perspective should be concentrated wherever to get a reasonable thought in regards to the affirmation of this point.
- ❖ A point by point concentrate should be done on socioeconomics to discover the impression of the overall population with respect to the congruity of this theme.

7. CONCLUSION:

Banks are mindful corporate residents. Banks accept that each little "GREEN" venture taken today would go far in building a greener future and that every last one of them can pursue a better worldwide climate. "Become environmentally friendly" is an association-wide drive that is moving towards banks, their cycles, and their clients. Conceivable arrangement measures and drive to advance green banking in India have become a need of great importance. In a quickly changing business sector economy where globalization of business sectors has escalated the opposition, banks should assume a favourable to dynamic part to accept natural and biological perspectives as a component of their loaning guideline which would compel enterprises to go for ordered venture for ecological administration, utilization of suitable innovations and the board frameworks. The banking and monetary area ought to be made to work for a manageable turn of events. To the extent green banking is concerned, India's banks are running behind time and it is the need of great importance to think it truly for the practical development of the country.

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