

“A STUDY ON THE IMPACT OF GREEN BANKING IN ENVIRONMENTAL PROTECTION”

[WITH A SPECIAL REFERENCE TO SBI; PALAKKAD DISTRICT, KERALA]

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ABSTRACT

The green banking has its own importance in the modern era. And it is a protective and smart way of thinking towards future sustainability. Through this study I to find out the impact of green banking in environmental protection. For this purpose I selected a branch of SBI in Palakkad district. I collected the data through primary and secondary data. And I adopting the method of interviews, questionnaires, observations etc.

The area which I selected is not a well developed one, so the concept of green banking is not well popularised to this area. However, banks take necessary steps to protect and preserve environment by green banking.

INTRODUCTION

Green banking refers to the initiatives taken by the banks to encourage environment friendly investment. Green banking as a concept is a protective and smart way of thinking towards future sustainability. And it is creating a buzz in the financial world. It is a form of banking taking into account the social and environmental impacts and its main motive is to protect and preserve environment. In the present era, we are facing a lot of environmental issues. So the green banking has its own importance and it plays a vital role to avoid such issues for an extend.

ENVIRONMENTAL PROTECTION BY INDIAN BANKING SECTOR

Banks are the most important institutions that help business activities. And it play major role in the development of country's economy.

According to section 5(1) (b) of Banking Regulation Act, 1949; banking as;

“Accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw able by cheque, draft, order or otherwise.”

In modern period, the functions of banks are increasing day by day. They also concerned about the environmental issues. So they take necessary steps to avoid such issues for a limit. As a major financier banks indirectly contributes to the environment degradation by financing the projects and industries whose activities put negative impact to the environment. Banks are also encouraging projects that show its concern for the environment in the form of sustainable development, use of renewable natural resources, waste minimisation, pollution control, health and safety of employees, energy efficiency, and many similar attributes that tries for the betterment of society.

STATE BANK OF INDIA

State Bank of India is the largest public sector bank in India in terms of market capitalization, profit, net profit, revenue and assets. And SBI is one of the major banks that encourage the environmental protection. SBI has a green channel counter for encouraging paperless work. There is no use of pay slips, withdrawal forms, cheque leaves, remittance forms and the transactions are done through SBI ATM cum debit card. SBI initiated carbon disclosure project in the financial sector in India, for the sake of environmental concern and safety by the Carbon Disclosure Project of World Wide Fund (WWF).

OBJECTIVES OF THE STUDY

- 1) To know about the impact of green banking in environmental protection.
- 2) To identify the strategies adopted by SBI for green banking
- 3) To know what are the factors they used for promoting green banking.

METHODOLOGY OF STUDY

The nature of the study is descriptive and it has been conducted by using primary as well as secondary data collected for this purpose. It is an attempt to study about the green banking concept and its importance in environmental protection. The data needed for this study has been collected from the employees through questionnaires, interviews. For this study I selected the SBI in Palakkad District, Kerala.

SAMPLING DETAILS

SAMPLING METHOD

The research was made in accordance with the convenience of the employees and customers.

SAMPLING UNITS

The sample area is SBI in Palakkad District, Kerala

SAMPLING ELEMENTS

Manager, other employees and customers

SAMPLE SIZE

The sample is 30 persons including employees of SBI and its customers.

TOOLS USED

The primary data was collected through questionnaires, interviews and facts are presented in the form of tables, graphs, pie diagrams and charts

REVIEW OF LITERATURE

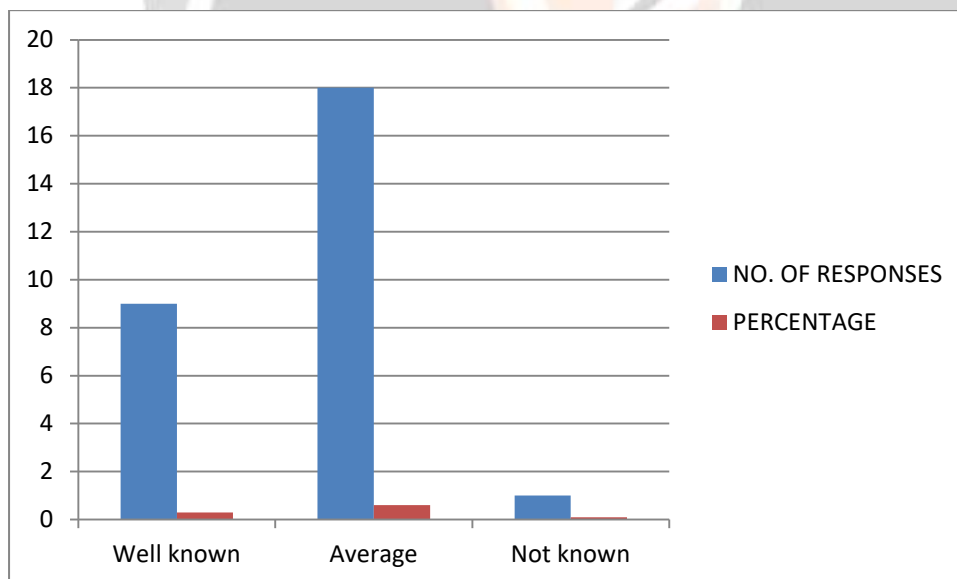
The practice of green banking will be useful for environmental protection as well as operational efficiencies. The SBI has initiated urgent measures to the climate change by reducing the bank's own carbon foot print and sensitizing the bank's clients to adopt low carbon emission practices (Sharma N, 2011). The impact of banking services on the environment is huge. ATMs have been widely adopted but the level of adoption of other electronic banking mean despite their potential are yet to pick in a big way (Joshua AJ & Koshy MP 2011).

Bahl , Sarita (2012) conducted an empirical study on "Green Banking – The new strategic imperative" tried to find out the most significant strategies while going ahead with green banking by using Garrett's ranking technique. Chaurasia (2014) in his paper "Green Banking practices in Indian Banks" highlighted the benefits, challenges, and strategic aspects of green banking. It plays a protective role to take ecological aspects as part of their lending principle. International Journal of Interdisciplinary and Multidisciplinary Studies (IJIMS) 2015 to go far mandated investment for environmental management, use of appropriate technologies and management systems.

DATA ANALYSIS AND INTERPRETATION

1. showing the popularity of green banking concept

RESPONSE	NO. OF RESPONSES	PERCENTAGE
Well known	9	30%
Average	18	60%
Not known	1	10%

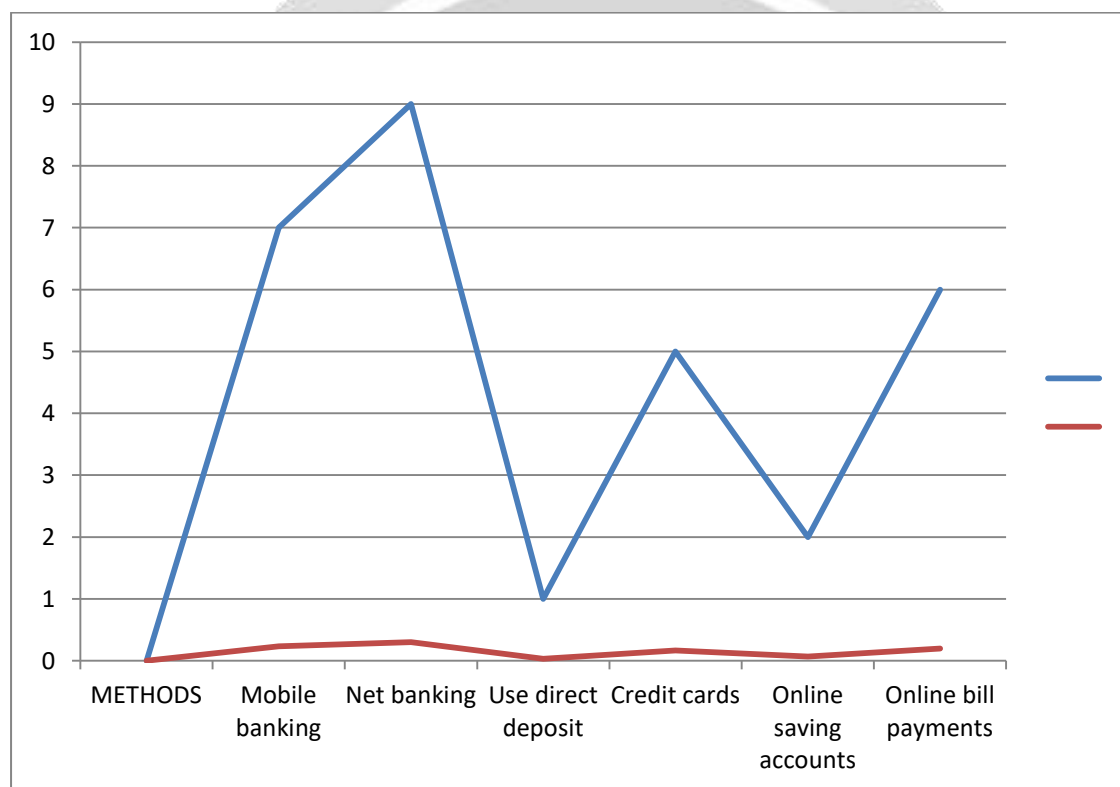


Interpretation

It is found that the concept of green banking is popularised in all areas

2. Opinion about the methods adopted by banks for the promotion of green banking

METHODS	NO.OF RESPONSES	PERCENTAGE
Mobile banking	7	23.33%
Net banking	9	30%
Use direct deposit	1	3.33%
Credit cards	5	16.66%
Online saving accounts	2	6.66%
Online bill payments	6	20%

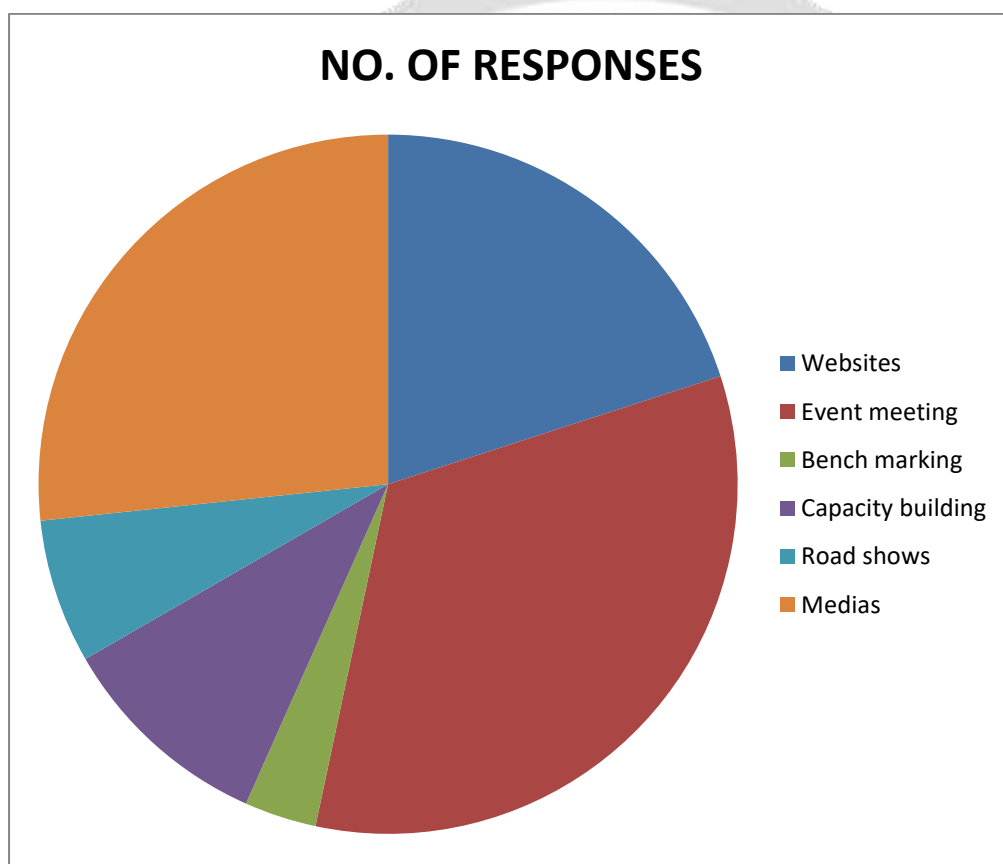


Interpretation

Net banking is more preferable by the customers for promoting the green banking concept. Secondly they prefer mobile banking, than others

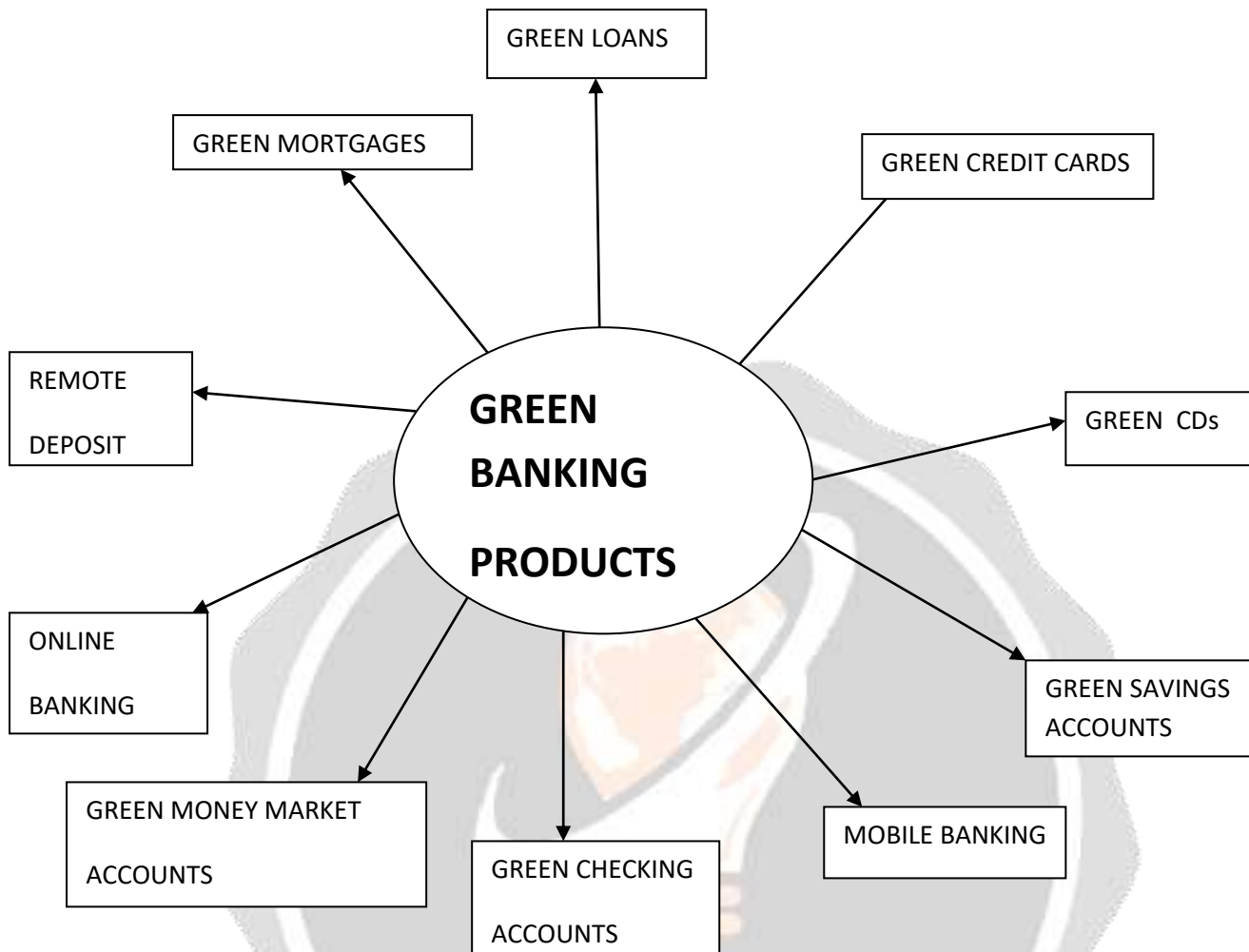
3. Showing the factors used for green banking

FACTORS	NO. OF RESPONSES	PERCENTAGE
Websites	6	20%
Event meeting	10	33.33%
Bench marking	1	3.33%
Capacity building	3	10%
Road shows	2	6.66%
Medias	8	26.66%



Interpretation

There are many factors used by Indian banks for the promotion of green banking. In these above 6 factors we can see that event meetings, medias and websites are more effective than others

GREEN BANKING PRODUCTS COVERAGE**BENEFITS OF GREEN BANKING**

- It helps to avoid paper works; it will help to lessen the cutting of trees.
- It helps to creating awareness to business people about environment.
- To get loans at comparatively lesser rates.
- Environmental standards for lending.
- It gives more importance to environmental friendly business practices.
- Use of online banking instead of branch banking save time.
- Helps to conserve natural resources.

FINDINGS

- The banking sector plays a vital role in environmental protection and conservation of natural resources.
- Through green banking concept, the Indian banking sector provides an environmental friendly business practice.
- The green banking concept is highly interrelated with the advantages of information technology.

SUGESTIONS

- To aware the people who are unknown about the concept of green banking through a public website.

- It will be excellent to conduct events for popularizing the green banking concept.
- To give awareness through press Medias also.

CONCLUSION

In the present condition, the environmental problems increasing day by day. Many of the organisations took necessary steps to control such problems. Financial sector or banking sector also takes such initiatives. That is called as green banking. In other words the green banking is the operation of the financial sector with special focus on the environmental, ecological and social factors. They target the conservation of nature and natural recourses. It helps to create awareness about environmental protection among business people and helps to promote the environmental management. For the effectiveness of green banking, the banks should play active role and formulate green policies and should take necessary steps. The survival of banking industries inversely proportional to the environmental pollutions. Therefore, for attaining the sustainability of banking, the banks should adopt green banking as a perfect method. In short it is the one of the major protective way of future sustainability. The Indian banks are actively looking for effective ways to implement green banking methods for the protection of environment.

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