

Lanes of Digitalization Progressed the Sustainability of Green Banking System

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Abstract

The paper aims to examine the relationship between digitalization and sustainable Banking by analyzing the growth of green banking and its progress with digitalization. Climate change and Technological development have made us think advance towards concentrating on environmental protection through digitalization. As such, the study entitles how banks prioritize the use of digitalization to achieve sustainable development. Banks are playing a very important role in our daily life and also the fabric of economic development hence banks have moved towards positive change by use of digital technology and also showing their responsibility for sustainable development in the region they are operating. In this modern era, consumers are also much interested in the use of digital technology, banks have also come up with various integrated digital tools to make the consumer operate easily and maintain transparency. The data used for the study is secondary and has remained collected from various articles, journals, Newspapers on digital banking, and various other websites. More opportunities created through technological advancement and digitalization which is a positive sign for the progress of green banking.

Keywords : *Digital banking, Sustainable Development, Technology advancement, Digitalization.*

Introduction

Green Banking is becoming a mandatory concept in the preset environmental changes to make the earth more habitable. The speed-acceptable nature of the era has pushed banks to innovate more with digitalization. The past few decades have been boosting the banking system to concentrate on green banking because Banking sectors are the prime source to provide funds for numerous industrial missions like steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which adversely impacts on social and Environment. Hence the major innovations and advanced technological adaptation in banking are playing a significant role in green banking which is reducing the negative impact on the environment with the help of digitalization. For instance, utilizing of digital banking instead of the traditional banking system, like remitting bills online using mobile or net banking may save energy and time which may contribute to sustainable development.

Objective

1. To examine the relationship between digitalization and sustainable Banking.
2. To analyze the growth of Green banking with digitalization
3. To examine the various elements that lead to the progress of Green Banking.

Research Methodology

The current paper is descriptive in nature. The information used for the analysis is secondary in nature and based on thorough a review of various articles, journals, Newspapers digital banking websites, and various other websites.

Literature Review

(Ajaz Akbar Mir August, 2022) The author highlighted the recent effects on the environment like temperature changes, floods, and other natural calamities that made people think about preventing global warming. The author emphasized that this can start with the financial institution which plays a major role in funding the main business hence they need to think about investment decisions by concentrating on sustainable development. The banks are also one of the main institutions that as ample opportunity to reduce carbon emissions with technological advancement and discussed Net banking, Online saving accounts, Paperless banking, Green deposits, Green building, and CSR which highlights the usage of the green banking concept. The author concludes by highlighting with the 2030 Agenda has eight Millennium Development Goals (MDGs) towards sustainable development in India we are still in the development phase of adopting green banking there is still wide scope.

(E G Shershneva and E SKondyukova 2020) The author devoted the learning towards environmentally accountable green banking services and its practice by analyzing Internal like recent smart methods adopted in banks to provide customer services and their operations also external elements like the green offering, providing green securities, affinity card issuance, and ecology charity, etc. the author highlights the growing interest towards eco-oriented banking system which leads to creating a good social image, protecting environment by harm full effects and contribute to sustainable development

(Dr. (Smt.) Rajeshwari M. Shettar-2019) The article entitles that the current era has more demand for any-time banking the author highlighted the role of digitalization in Indian banking which focuses on customer-centric with technological upgradation. The study founds the digital banking has reduced the operating cost of banks which accelerates the integration of the economy. Digital up gradation is just taking traditional banking to digital banking by reducing human errors and increasing convenience. Digital banking is converting brick-and-mortar banks into more green and efficient places to operate concentrating on the Environment society and the economy.

(Kishore Kumar and AjaiPrakas 2019) The author proposed a frame to recognize the developments in the banking sector toward sustainable banking tools and to analyze the extent of adaptation by focusing on the environmental and social dimensions. The notable aspect emphasized by the author is sustainable banking includes the concept of social banking, ethical banking, and green banking to provide sustainable products and services. He also listed 40 major indicators of different dimensions of sustainable banking in analyzing an idea of the current development taking place in sustainable banking performance. By taking 42 PSBs and the private sector as samples he highlighted SBI is the only PSB that announces a sustainability statement and adheres to international standards like GRI and concludes banks in India are not fully accepting the challenges of **sustainable banking** still in the budding stage.

(Dipankar Sengupta and Nagesh Shastri) The author highlights that the transition from banking towards digitalization has led to the transparent and result-oriented transformation of the digital economy. Applied computing systems like Electronic funds transfer, Business process management systems as made digital payment easier and safe. Author high points the objectives like Facilitating public financial management for (Gol) by establishing a comprehensive payment, receipt & accounting network. Giving importance to keeping in mind the ecosystem payment can move to the next level of standards by adopting an ecofriendly concept in PFMS.

Discussion

Digitalization and sustainable Banking

From the several reviewed data, it can be assessed that digitalization has contributed to sustainable development. Digitalization has created a new wave in the banking process and customer expectations. Technology is one of the main enablers, creating a secure and efficient payment system and brought tremendous advantages for sustainable development through different innovations in banking services which has increased bank performance in terms of profit and also customers. Banks are providing various services in the name of digital banking. This digitalization has helped in reducing carbon emissions externally and also internal carbon footprints by providing various business opportunities in going green concept which helps to reduce global warming by controlling greenhouse gases, paperless transactions which avoid cutting trees, and also coming up with innovative products through which we can use natural energy resources. Sustainable banking is the combination of three main responsibilities social, economic, and environmental.

Green Banking with Digitalization

Technology and the environment are playing a vital role in the present scenario. The banks are major users of power like lights, ATMs, and Computers with the concept of green banking they are trying to shift their use through natural sources with help of technology like solar energy, Eco-friendly buildings, and paper works that have been replaced by digital documentation. Green banking means joining in advanced banking activities, technology, and varying customer behaviors in the banking system with promoting environmentally- related fair practices. This practice comes in various digitalized way like using internet banking in place of traditional banking; remitting bills online and opening money market deposit at online banks, by minimizing the use of huge multi-branch banks; or finding a local bank.

Digitalization Elements that Facilitated Green Banking

Technology innovation in the banking sector has provided various upgraded services according to the changing lifestyle of customers. The changing lifestyle also created a change in an environment like Unified Payments Interface (UPI), NEFT / RTGS, Net banking, Mobile Banking, etc which facilitated the use of green banking services like

- Practice of environmental -font in documents and printings to decrease the use of printer cartridge
- Green Products: Green car loans, Green deposits
- Digital security standards and use of Industry 4.0 techniques for safety transactions and fast processing.
- Green building or greenhouse loans at attractive terms and conditions
- The online application system for credit card applications.
- Online credit approval management system

- Increased use of e-statements by customers
- Online payment
- off-site/mobile ATMs
- No receipts in ATM
- Paperless Banking.

Conclusion

By various reviewed articles it can be concluded that there is a wide challenge in India towards adopting a green banking system and still we are in the primary stage. Digitalization is showing a path for accepting the concept of green banking by helping with resource-saving elements through adopting innovative advanced technologies. Both digitalization and green banking act as a synergy for sustainable development which is very much necessary for this fast-growing generation because we need to concentrate on our society, environment, and economy. The government and RBI are also inspiring the emergence of innovative financial services with digitalization in different sectors especially for startups to come up with new businesses concerned with sustainable development through which we can develop the economy and save the environment and society.

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