

CAN ETHICAL BANKING CHANGE THE BANKING LANDSCAPE?

Jayasekera, M.A.K.De.S., Pushpakumari, M.D

University of Sri Jayawardenapura, Sri Lanka

Banking plays an important role in a person's day to day life. Banks are being judged not only for their economic performance, but for their contribution towards the social and environmental performance. Banks are also required by the society to engage in ethical practices, and responsible behaviours. In their pursuit for economic prospects banks have ignored the important concepts like financial inclusion and environmental sustainability. Banks were expected to have a set of ethical values. In the backdrop, the society started looking for an alternative banking model that can cater to economic, social and environmental progress. A different type of banking model termed as Ethical Banking was born to fill this gap. Ethical Banking aims for sustainable socio-economic and environmental progress. Ethical Banking since its introduction had a gradual growth. It is gradually becoming the trend setter in banking. Many researches were carried out on the subject in the Western world whereas few researches were found in Asian context. Majority of literature were found in the European environments. This research paper, hence fills this gap. The significance of this study is to find out whether Ethical Banking is a trend setter. The purpose the study is to find out whether Ethical Banking can change the banking landscape. The study is a Desk Research in the form of a literature review based on literature published between 1989- 2020. The review identifies that Ethical banking is gradually changing the banking landscape by becoming a popular baking model.

Keywords: *Ethical banking; Ethics; Environment; Financial inclusion*
