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"The Environment Bank": A Feasible Mediator Between Humans' Ingratitude and Nature's Reprisal

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Environmental degradation is of solemn concern nowadays all over the world. Government bodies, international organizations, corporate/non-corporate concerns, even all the erudite people of the countries are more or less anxious about the deteriorating environmental condition of the world. The authorities of the countries have struggled with the question of how best to respond to environmental degradation and potential global climate change. There has been much reasoning and researching as to find out the best possible ways to protect our environment. Countries on every side of the world meet frequently (in Rio de Janeiro in the summer of 1992, in Berlin in the spring of 1995, in Kyoto, Japan, in December of 1997, in The Hague, the Netherlands in November of 2000) to find out the most effective way to handle the world environment and to bind themselves with certain commitments. Many countries have imposed rigid policies, restrictions and regulations, many have appointed stronger and better monitoring and enforcement bodies within their own territories, and united bodies like the United Nations Environment Programme (UNEP), Intergovernmental Panel on Climate Change (IPCC), World Wide Fund for Nature (WWF), etc. have generated worldwide campaigns. But no one ultimate weapon has been found and the world environment is invariably deteriorating in an appalling way. One thing could be said with confidence of all the initiatives taken and their resulting implications in many countries, that not until people become concerned about their environment and not until people in polluting businesses find the easiest way out of their harmful activities would environmental rectifying be possible. One little suggestion can be made here, though it is not so negligible. As prevention is always better than protection, why not allow an environment bank to operate within the nation, regulated by the government, or throughout the whole world, regulated by the UN or the World Bank.

Dual environmental threats and direct poverty/environment linkage

The two most serious environmental threats are great poverty and great wealth (UNEP 1999). The countries with great wealth are contributing much more to the global climate change compared to the countries with less wealth. Diffusing from these industrialized countries, man-made emissions of greenhouse gases have recently broken the all-time record, with the highest concentrations in the atmosphere in more than 400,000 years. In 1998, the world burned more fossil fuels than ever, resulting in a global increase of

about 10 percent in carbon dioxide emissions compared to 1990. The year 1997 was the hottest ever until 1998, which was even hotter and was accompanied by catastrophic weather events all over the world. More than 40,000 people were killed, about forty-five countries were stricken by droughts while at least fifty-four others were soaked by floods, a record amount of US\$ 100 billion worth of damage was caused--the cause behind all these losses and many more was the weather-related catastrophes in 1998. But the developed world is not yet fully committed, and serious, to combat the climate change. Most of the industrialized countries have failed to reduce their respective greenhouse gas emissions to the 1990 level by the year 2000, as per commitment under the Convention on Climate Change. In some countries, it is continuing to rise. Here comes the need for a strong governing body that can reign, regulate, and require the nations to abide by certain policies and conditions.

Though the countries with great poverty are not industrialized or capable enough to have an impressive impact on the global climate, the environmental condition of the countries is still of serious concern. They are facing much more troubles with their environment due to their sole dependency on their microenvironment. Among the 40,000 people killed during 1998 in weather-related events, most of them were from the developing countries. The people here are struggling with droughts, floods, and cyclones on the one hand, and with soil erosion, lower productivity, demeaning mortality rate, and higher pollution related ailments on the other. The foremost causes behind their sufferings can be identified as their poverty, dependency on the environment, high population growth, obsolete technology, deforestation, and, with many others, their use of environmentally maleficent elements. And most of the environmentally hazardous activities in this world emerge from the financial inadequacy of the people. Thus, apart from the factors illuminated by the global climate change, all other factors inducing environmental contamination are in one way or another controllable and abatable.

From here on we will focus on the environmental factors and the presumed controllable activities of the poor, and constructing through the idea of an environment bank, we will consider the case of one of the least developed countries of the world: Bangladesh.

Bangladesh, being a low-lying coastal state, has been experiencing lots of environment related debacles. It has witnessed devastating floods and cyclones in the recent past, and more alarmingly, 17.5 percent of its landmass has a strong likelihood of being drowned under water as the sea-level rises from the effect of global warming. There is very little the inhabitants of the country can do about it, as the country is an insignificant

contributor to the worrying global warming. But many things can be done to save its coastal areas, to protect its soils, and to protect nature, which will surely ensure a better life for Bangladeshis.

There is a direct positive co-relation between poverty and environmental degradation (Hansen, 1998). In many developing and least developed countries like Bangladesh, where poverty lies with the socioeconomic system, environmental degradation such as deforestation, soil erosion, and pollution are very much perceptible throughout the whole country, especially around poor settlements (both in rural and urban areas). Bangladesh, with one of the highest population densities of about 935 per square kilometer, and with a majority of the farmers having less than 0.5 hectare of land, has about 42 percent of the people below the poverty line. By reason of the pervasive poverty, the people here are compelled to adopt a number of 'survival strategies' and 'crisis coping' activities, which has impact on the environment. And the impacts are not obviously upright for the community.

Here, the people have to depend on their limited, fragmented farmland. And by reason of the over-use of limited farmland and the lack of crop rotation and other scientific methods, the soil nutrient is declining, resulting in low productivity of land. Deficiency in purchasing power plays a substantial role in the case. Moreover, due to the low access of small farmers to credit and the high prices of fertilizers and pesticides, the farmers cannot use the desired amount of fertilizers in apropos time. Deforestation is another dreadful activity that causes serious harm to the environment. The poor households of the country barely have access to the fuels for cooking, as a result of which they have to depend on nature. Furthermore, frequently, in times of crisis, they have to sell out trees without any likely plan for replanting them. In addition, the production system of the country is outmoded, generating much less output but much more ravage to the scenery. In the urban areas automobile exhausts, together with fumes coming out of industries, brick kilns, kitchens, and dusts from dilapidated roads, cause serious pollution of the air. Industrial, municipal and agricultural wastes pouring into the rivers and lakes cause serious damage to the water.

The other causes of environmental degradation in Bangladesh can be identified as misallocation of resources due to ill considered government policy or market miscarriage; skewed distribution of access to resources such as land, water, and natural resources; and demographic factors like high population pressure on the regenerative and assimilative capacities of the environment.

Land reform, land redistribution, input delivery system, construction of

community farm service, and such other activities and policies can be very effectual in abbreviating environmental degradation caused by the rural poor. Investment in human capital--development of productive capacity by imparting education, training and skill to the poor to lift them from total dependence on their immediate micro environment and natural resources--will surely help the environment to be unmolested. Special credit programs, targeted nutrition programs, price support for agricultural products will also reduce the dependence of the poor on just the natural resources. Establishment of modern factories and plants in diverse areas, and development of the transportation system and electrification will bring the poor more mobility reducing their direct dependence on their microenvironment.

Furthermore, primitive, detrimental technologies should be substituted with the new technologies. Astute manufacturers who are very serious about their offerings of environmentally friendly products to the market and thereby satisfying their customers and earning maximum profit, must have the opportunity to replace their plants easily with the availability of modern technologies in the market and an easy credit system. If they get the opportunity of assured and incentive financing, they, themselves, will introduce modern environmentally friendly technologies and products into the local market as we can, at best, wish for in the case of polythene and the motor industry of Bangladesh. In one way or another, the market will automatically adjust itself to a more environmentally efficient mechanism, if and only if easy credit accessibility and sufficient establishment facility for environment friendly projects are available (provided that consumers/customers are concerned about their environment).

The concept of "the environment bank": a feasible mediator

At this point we can identify financial obstacles and unawareness among the people as the two conditions contributing most to pollution in Bangladesh, as well as in any country with less wealth. Therefore, it can be attested that all the expected adjustment, reform, and protection courses can be energized by setting up environment banks or by increasing environmental consciousness among the existing banks. As banks are considered to be the most powerful instrument for socioeconomic development of the country, they can play a significant role in reducing the environmental contamination. Banks cannot shrink from their social responsibilities, which they have been shouldered with since the time of their inception, in contributing their best towards the probable solutions of such a serious problem, namely environmental degradation of the country. Their appreciation of their social obligation will obviously bring them extra benefits. Bank customers today, particularly in Europe and North America, increasingly value environmentally

friendly products and services. Several surveys have indicated that consumer interest in the environmental effects of products is rising and that a substantial segment is willing to pay a premium for environmentally friendly products (United States Congress, 1992). If a bank declares its environmental friendliness, its market value will surely increase and it will be able to attract a number of customers who will be willing to pay extra premiums for the bank's environmentally friendly products. Therefore, including a separate desk or branch to deal with the environmental matters can be proved, at least theoretically, to be very profitable for commercial banks.

A separate subsidiary bank to be known as "The Environment Bank" can be established under the direct initiative of the Bangladesh Bank, the Central Bank. The bank can have its branches at all the district headquarters of the country and can generate intensive banking and financing facilities only to the environmentally friendly customers. All the branches of the bank would be environmentally friendly in every respect.

Beginning with internal operations may be very handy because it may invigorate the bank's environmental commitment internally. The bank would set certain policies regarding general employee actions, for example policies in curtailing the use of materials, energy, and water, reusing materials and supplies, recycling items, rethinking processes and procedures, etc. This would help the bank to motivate its employees, and the employees would serve their best, as they themselves might believe that they are contributing to the betterment of the future for their heirs as well as their nation.

The Environment Bank operating in many districts would build an environmental network with thousands of its associates. The environmental network would serve to engage associates in activities, enabling them to learn how their personal actions can lessen operational impacts to the environment. While each act of reusing a diskette or turning off a fan or light may be minor in itself, the summative impact of thousands of associates doing the right thing would definitely be very expressive. The environmental network would provide a forum dedicated to the personal and professional development of any associate who embraces participation. It may partner with other associate networks like NGOs or other banks, as pertinent, to consummate their missions. The meetings, activities, and interaction among associates would surely allegorize the environmental commitment of the network and the bank. The purpose of the environmental commitment of the bank would be to establish the bank as a leader in aiding a society to accomplish a sustainable economy--an economy with profitable, market-based activity that makes proficient and environmentally sensitive use of natural resources, provides clean air and water to its citizens, maintains the

natural biological diversity indigenous to its various regions, and above all, alleviates poverty by working with the unemployed and poor people.

Since credit, investment, underwriting, and payments would be the bank's core businesses, environmental conservatism in these areas would help the bank to achieve its mission. The bank would have certain rigid policies and a strong credit and underwriting division to make loans only to qualified companies, and only to finance qualified activities that provide a variety of environment oriented benefits. Examples would be companies whose business is to solve garbage problems, reduce air pollution and emissions that effect global climate change, preserve water and energy, abate toxins, or elevate sustainability. The bank may have its credit policy in line with the World Bank's Pollution Control and Abatement Guidelines in evaluating environmental performance in projects it finances. The bank can adopt certain micro credit policies, self-employment credit policies, and soft credit mobilization policies, which are very important for alleviating poverty from the nation and preventing environmental degradation from the very root level.

The bank would take several activities to establish itself as an immaculate citizen of the country. The activities may comprise (a) partnership with selected business, environmental groups, and government agencies to promote solutions that satisfy both economic and environmental needs, (b) superiority within the business community on selected economic and environmental issues at the district level, (c) associate volunteerism toward environmental betterment in local communities, (d) charitable grants and sponsorships.

The endowment of the Environment Bank with the above activities and with certain policies doubtlessly seems very idealistic. Believe me, it would definitely ensure a better environment for us with an efficient economy. If a separate Environment Bank cannot be established for certain reasons, assigning the duties of such to the public banks would not be less advantageous. Nationalized banks of Bangladesh can obviously do better in curtailing the environmental impurity as these banks have distinctive characteristics such as: many branches spread all over the country, a number of employees and associates, huge funds, public trust, a good regulating body, and above all, obligation to the nation.

If we see the puzzle of the environment linked with poverty, technology, and consciousness from the world's perspective, we may see that it would not be unfeasible to establish an Environment Bank for the whole world, which may have the name "World Environment Bank." It may work as a governing body that would monitor the works of its environmental network, provide certain

prescriptions and directions, and regulate the fulfillment of the commitments that the developed nations made to reduce their bad gas emissions. Besides, it may satisfy the demand for funds by the least developed countries to meet their immediate adoption needs and for capacity building, including technology transfer. There are, of course, separate sections or branches of the World Bank and different committees of the United Nations to deal with environmental issues, but establishing a separate governing body with much more authority and commitment to its occupancy will definitely do a power of good. Seven foremost advantages of establishing a distinct environment bank rather than operating with different desks or sections of the world's supreme monetary or political governing body regarding the environment can be roughly identified: (a) concentration on and commitment to the environmental policies can be increased, (b) enhanced and efficient monitoring and control mechanism could be adopted, (c) a better sum of money could be concentrated for the poor nations, (d) policy enforcement and restrictions could be imposed effectively, (e) a worldwide campaign could generate wide-ranging cautiousness and interest among general people, (f) it could provide the nations with a better guideline on balancing environment and abating pollution, and (g) it could work hand in hand with the responsible authority of a nation for nature's betterment.

Conclusion

We all have to remember that unless we tackle the root causes of environmental degradation, maintaining balance in the ecosystem through programs like afforestation, soil conservation, adoption of rigid policies etc. will not be effective enough for sustainable development and poverty alleviation. It is reiterated that the constraints are embedded not only in the natural resource management but also in the socioeconomic structure of the country.

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