

Jan Jaap Bouma, Marcel Jeucken, and Leon Klinkers (eds.), *Sustainable Banking. The Greening of Finance*, published in association with Deloitte & Touche, Sheffield, Greenleaf Publishing, 2001. 480 p. GBP 45 (ISBN 187471938)

The issue of sustainability finally has arrived in the boardroom of bankers. Developed in the mid-1980s by the UN's World Council on Environment and Development, it spread throughout the world and resulted in the Rio Summit of 1992. There, Agenda 21 was put up: A framework to stimulate global thinking and local action on issues relating to sustainability. For many businesses, it pointed out that three issues were of importance: People, Planet, and Profit. A sound and sustainable balance between the three should be aimed at. Given the key role of banks in many economies with respect to investment and growth, they are thought to severely affect the sustainability of (social, ecological, and economic) development.

This book aims at illustrating how bankers wrestle with the issue of sustainability and what banks have achieved in this respect in the last two decades. It is divided into five parts, which encompass 32 chapters about interrelated themes. The first part is about environmental policies of banks. It turns out that the policies regarding the role of banks in sustainable development vary significantly from bank to bank. This part contains several country and case studies. However, a common analytical framework is lacking. So it is very hard to derive conclusions from this part. Part two centers on transparency in bank policies on environmental issues. It also stresses the need for environmental reporting in banking. Most interesting is an attempt by Louche to relate environmental performance to financial performance. Unfortunately, the data are insufficient, both quantitatively and qualitatively, to derive sound and robust conclusions. The third part goes into environmental investment funds. This part also has a chapter about the Dow Jones Sustainability Index that assesses corporate sustainability performance. Part four is about environmental risks and banks' products. Environmental risks affect banks' lending practices and call for a need to integrate environment aspects in credit evaluation. The fifth and last part concentrates on the role of government, NGOs and multilateral banks. Especially the World Bank underwent important restructuring in this respect and may act as an example for many of its commercial counterparts when it comes to taking into account non-financial factors in financial decision making.

The book goes into a very important and interesting matter. However, it lacks a clear-cut analytical framework, both with respect to definitions and theories and to research methods. There are numerous repetitions throughout the text. Authors use quite different definitions of key concepts. For example, the use of the concept sustainable banking is quite confusing. Often it just refers to banks paying attention to environmental issues. Sometimes, sustainable banking is regarded as identical with social responsible banking.

Furthermore, it is not always clear what the aim and use is of a specific chapter in the book and many a chapter easily would fit into different parts of the book. The reasoning in a lot of chapters is characterized by wishful thinking and jumping to conclusions. Also, most of the empirical evidence provided is rather anecdotal and often unfit to corroborate the stated opinions or hypotheses. All this is of course very troublesome and results in the fact that the book can only be regarded as an account of different practitioners of how they see the 'struggle' of their bank with the challenge of making its operations sustainable. However, as such, it is nevertheless an interesting book, as it clearly reveals that many banks still do have a very long way to go. More focus and the use of a common instrumental framework would have increased the use of the current book enormously. This might prove an interesting challenge for the editors.

To conclude, it is claimed that banks transform into institutions that actively promote sustainable development (page 15). However, this is not a conclusion that can logically be drawn from the contributions in this book. It appears there is still a substantial gap between banks' stated policies and their real-world practices.

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