Journal of European Public Policy

ISSN: (Print) (Online) Journal homepage: www.tandfonline.com/journals/rjpp20

Two degrees versus two percent How central bankers and members of the European Parliament developed a common pro-climate narrative

Elsa Clara Massoc

To cite this article: Elsa Clara Massoc (20 Feb 2024): Two degrees versus two percent How central bankers and members of the European Parliament developed a common pro-climate narrative, Journal of European Public Policy, DOI: 10.1080/13501763.2024.2318473

To link to this article: https://doi.org/10.1080/13501763.2024.2318473

© 2024 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

View supplementary material

Published online: 20 Feb 2024.

Submit your article to this journal

View related articles

View Crossmark data

Full Terms & Conditions of access and use can be found at
https://www.tandfonline.com/action/journalInformation?journalCode=rjpp20

JOURNAL OF EUROPEAN PUBLIC POLICY
https://doi.org/10.1080/13501763.2024.2318473

Routledge
Taylor & Francis Group

OPEN ACCESS Check for updates

Two degrees versus two percent How central bankers and members of the European Parliament developed a common pro-climate narrative

Elsa Clara Massoc

SEPS-HSG, St Gallen 9000, Switzerland

ABSTRACT

The new ECB leadership made it its explicit priority to make ECB's policies greener. Although doubt remains about the scale and effectiveness of the policies implemented since then, the idea that the ECB has a role to play in the fight against climate change has become widely accepted. The main narrative in support of this idea states that the ECB's pro-climate engagement is part of its primary mandate – price stability. However, until not long ago, ECB's primary mandate was rather used by those opposing the greening of central banking, while it was largely ignored by pro-climate advocates. How has this narrative emerged and gained traction? This paper argues that this narrative results from a process of coalition-building between pro-climate central bankers and pro-climate politicians in the European Parliament. Building on a multi-method text analysis of original datasets of accountability communications as well as in-depth interviews, this paper documents the mechanisms through which pro-climate central bankers and pro-climate MEPs co-constructed the pro-climate narrative, using accountability relationships as a coalition-building arena. The paper contributes to ongoing discussions on central banks' accountability, politicisation and role in the green transition.

ARTICLE HISTORY Received 21 September 2023; Accepted 31 January 2024

KEYWORDS European Central Bank; European Parliament; climate change; price stability; accountability; Coalition-building

Introduction

Until very recently, European central bankers' dominant view was that climate change was not a challenge to be tackled by the European Central Bank (ECB)

CONTACT Elsa Clara Massoc elsaclara.massoc@unisg.ch SEPS-HSG, Büro 52-5106, Müller-Friedberg-Strasse 6/8, St Gallen 9000, Switzerland

Supplemental data for this article can be accessed online at https://doi.org/10.1080/13501763.2024.2318473.

© 2024 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group
This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The terms on which this article has been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

(e.g., Mersch, 2018; Weidmann, 2020). Yet within just a few year, the ECB was announcing an action plan aimed at coping with the climate crisis and has integrated climate-related criteria into the collateral framework of its corporate sector purchase program (ECB 2021a, 2021b, 2022). Recent scholarship has started exploring this 'green turn' of European central banking (Deyris, 2023; Hauke, 2023; Jabko & Kupzok, 2021; Siderius, 2023).

If the greening of ECB's policies is puzzling given central bankers' explicit hostility towards it until just recently, the main narrative developed in support of the ECB's pro-climate engagement[1] is no less surprising. Until roughly the end of 2019[2], ECB's primary mandate – which is to maintain price stability in the Euro area[3], was mainly used by central bankers as a core argument to push *against* any pro-climate engagement of the ECB. By contrast, the advocates of a greener ECB didn't dwell on the primary mandate but rather stressed the importance of ECB's secondary mandate as well as the legal requirement for the bank to promote EU's general economic and political objectives, including those of the 2015 Paris agreement. However, by 2021, the main 'pro-climate' narrative had become one that ties the pro-climate engagement of the ECB to its primary mandate (see among others ECB, 2021a, 2021b, 2022). Simply put, this narrative states that because the multifaceted climate crisis most certainly leads to dramatic price instability in the short to medium run, it falls within the primary mandate of the ECB to mitigate it. How has this pro-climate narrative, which had nothing obvious at first, emerged and gained traction as the main narrative legitimising the pro-climate engagement of the ECB?

In contrast with explanations stressing organisational factors purely endogenous to the ECB, those stressing the instrumentalization of the European Parliament (EP) by central bankers in order to provide *ex-post* legitimisation of their policies, or those stressing the ideological convergence between politicians and technocrats, this paper argues that the accountability relationship between the ECB and the EP has been used as a coalition-building arena by sub-groups of pro-climate actors within each institution in order to co-construct a pro-climate narrative that would rally a group of more conservative central bankers to their political objective.

The adoption of a pro-climate narrative linking climate to price stability has been pragmatic, in the sense that it didn't result from a shift in the first-order preferences of those actors. Both pro-climate central bankers and MEPs' first-order preferences have remained to legitimise pro-climate policies based on ECB's secondary mandate and its legal requirements to abide by the objectives of the Paris agreement. However, the narrative coherent with their first-order preferences failed to convince those central bankers who were not completely opposed to a greener ECB, but remained conservative with regard to the primacy of its price stability mandate. In the face of this

opposition, pro-climate central bankers and MEPs coalesced to develop specific discursive elements (a repertoire) ambitious enough to steer political change, yet vague and malleable enough to allow more conservative central bankers to converge on them – at least momentarily (Jabko, 2006; Jabko, 2019).

ECB-EP relationships have been the object of numerous studies leading to quite contrasted conclusions (Busuioc, 2009; Claeys, Hallerberg, & Tschekassin, 2014; Diessner, 2022; Jourdan & Diessner, 2019). However, there is a consensus that ECB-EP accountability relationship is quite unique compared to other jurisdictions.[4] Authors have thus sough to characterise this relationship, and wondered to what extent accountability for a may enhance political control serving to broadly legitimise agencies, or, on the contrary, may reflect preferences of the bureaucratic actors they are meant to control (Busuic and Jevnaker, 2022).

In general, this literature has depicted the ECB as the dominant actor, while the EP has been conceived as an instrumentalized – if not utterly irrelevant – actor (Braun, 2017; Busuoic and Lodge, 2016; Dawson & Maricut-Akbik, 2021; Maricut-Akbik, 2020). This paper suggests a more nuanced picture. It argues that, in a context where there is an open conflict *within* the ECB, sub-groups of central bankers can build coalitions with sub-groups of MEPs in order to promote common policy preferences. This conception of coalition-building arena stresses a more active role in the political process for sub-groups within each institution than what has been traditionally acknowledged.

To support the argument, the paper builds on a multi-method text analysis of original datasets compiling communications between the ECB and the EP across three accountability fora (the monetary dialogues, the written questions and the resolution debates) between 2014 and 2021.[5] It also builds on nine in-depth interviews with key actors involved in the construction and emergence of the pro-climate narrative at the ECB and the EP.

This paper is organised as follow: the next section discusses the buoyant literature on European central banking, and derives some hypotheses that may explain the emergence of the pro-climate narrative under study in this paper. Each of these explanations has implications about the conception of ECB's accountability relations with the EP. Section three presents the data (original datasets and interviews) and methods on which the coalition-building argument builds. Section four anticipates on section five and presents the first-order preferences of different sub-groups of actors within the ECB and the EP, which were derived from the empirical work – the section builds on these first-order preferences to test different hypotheses presented in section two. Using textual and interview evidence, section five traces the process of coalition-building of a pragmatic coalition between pro-climate

central bankers and MEPs by documenting the emergence and diffusion of the narrative linking climate crisis and price stability over two periods of 'conservative' and 'pro-climate' ECB leadership. The last section discusses how this paper contributes to ongoing discussions on central banks' accountability and role in the green transition.

Explaining the emergence of a pro-climate narrative

Scholars have extensively documented the extended roles and responsibilities taken on by the ECB during the multiple crises that have rigged the last two decades (Bowman, Erturk, Froud, & Johal, 2012; Fontan, 2018; Micossi, 2015; Quaglia & Verdun, 2022; Torres, 2016). Although it is evidently important to study ECB's policy actions, it is also crucial to study the narratives supporting those. From an epistemological point of view, it is important to study how dominant narratives emerge because they are the result of a political process and, as such, are revealing of interactions, power struggles and coalitions between actors involved in policymaking processes (Schmidt, 2016). As importantly, narratives shape the boundaries of policymakers' action as well as they set up new grounds for the contestation of those actions (Jabko & Schmidt, 2021; Schmidt, 2010; for a discussion in the specific case of central banking, see Moschella, 2023).

This section explores how the different trends in the literature on European central banking may explain how the pro-climate narrative linking climate and price stability has emerged and gained traction. Each of these explanations have implications with regard to how the accountability relationships between the ECB and the EP are conceived.

ECB endogenous factors – accountability as a (somewhat) irrelevant ceremonial

In the last decade, scholars have largely documented how central banks, far from being bounded by technocratic rationality, have pushed their political and financial involvement to all sorts of sectors and dimensions of the political economy, even though there has been no formal change to the narrowly-defined ECB's primary mandate, nor any formal redefinition of its independence (Braun, Gabor, Mader, Mertens, & van der Zwan, 2020; Coombs & Thiemann, 2022; Gabor and Ban, 2016; Goodhart, 1998; De Grauwe, 2012; Wansleben, 2023). Seemingly, the ECB has become more powerful today, although it has remained just as independent as the day it was born.[6] Accordingly, scholars have often stressed the importance of dynamics internal to the ECB to explain its transformations.

For example, Deyris (2023) points to the appointment of pro-climate central bankers at the head of the ECB to explain the switch in favour of a

greening of central banking. Indeed, Christine Lagarde, who officially became president of the ECB in November 2019, had explicitly claimed that she wanted to put the climate crisis at the centre of her work. Later in December 2020, Frank Elderson, who co-created and was the first Chair of the Network of Central Banks and Supervisors for Greening the Financial System, was nominated at the executive board.

It is thus plausible that the pro-climate narrative has been constructed and put forward by the pro-climate ECB leadership, resulting from purely organisational factors internal to the bank. The first hypothesis is thus that ECB pro-climate leaders managed to impose their preferred narrative to the entire organisation (and beyond that, to the EP).

> H1: ECB pro-climate leaders are expected to impose their preferred pro-climate narrative to the whole institution (and beyond)

This hypothesis has implications regarding how ECB-EP relationships of accountability are conceived. If the factors explaining the emergence of the pro-climate narrative are to be found uniquely within the ECB, accountability relationships must remain quite limited in their scope and effects. This conception is coherent with much work in the literature, which stresses that accountability is a process where there is no possibility for the EP to contest or amend any ECB actions (Braun, 2017; Busuoic and Lodge, 2016; Dawson & Maricut-Akbik, 2021; Maricut-Akbik, 2020). In this view, the conception of ECB-EP accountability is one of limited importance – if not complete irrelevance.

ECB's quest for legitimacy – accountability as an instrumentalization tool

Another mechanism stressed in the literature shows how the ECB may seek to legitimise its policies through its accountability relationships with the EP (Jabko, 2009, 402–403; Torres, 2011). For example, Torres (2016) has shown how the ECB's sought to acquire some legitimisation of its unconventional policies in the context of the euro-crisis by calling on the EP for support.

In coherence with the literature stressing *ex-post* legitimisation processes, the emergence of the pro-climate narrative may be due to ECB's internal dynamics, and then pushed onto the EP in order to acquire legitimacy. Importantly in this view, the instrumentalization strategy for ECB's policy legitimisation must occur *ex-post*, i.e *after* the policies (or in this case the narrative) have already been decided within the ECB.

> H2: ECB pro-climate leaders are expected to have developed their preferred pro-climate narrative, then this narrative has been pushed onto the EP for *ex-post* legitimisation purpose.

The conceptualisation of accountability relationship coherent with this type of explanation is one that conceives accountability forum as an institutional tool for the ECB to instrumentalize the EP for legitimisation purposes. In that view, the role of the EP is more important in the political process than in the first hypothesis, as legitimacy is important for the acceptation of policies by the broader public. However, the EP still remains quite passive in that process.

Ideological convergence – accountability as a learning process

Some authors have stressed that central bankers' (neo-liberal) ideology and/or 'technocratic rationality' largely shape their policies as well as how they legitimise their own actions (Abolafia, 2012; Fligstein *et al*., 2017; Marcussen, 2009). From that point of view, the pro-climate narrative may result from a learning process – framed by pre-existing ideology or technocratic rationality – by central bankers on a topic that has recently become important for society in general. For example, Thiemann, Büttner, and Kessler (2023) have argued that the climate crisis has altered the self-understanding of central bankers and driven them to acknowledge that central bankers shape and make, not only mirror, market forces.[7] The convergence of pro-climate MEPs may thus be due to the explanations of this rationale by green central bankers, who then convinced MEPs of its relevance.

> H3: The pro-climate narrative is expected to have become the preferred narrative of both pro-climate central bankers and MEPs through learning processes

The conceptualisation of accountability relationship coherent with this hypothesis is somewhat more positive, as it would suggest that central bankers seem to take their explanatory duties seriously, and MEPs indeed take advantage of accountability communications to acquire more knowledge and understanding of the rationales behind the ECB's policy shifts (Collignon & Diessner, 2016; Fraccaroli, Giovannini, Jamet, & Persson, 2022b).

Pragmatic strategy – accountability as (sub-institutional) coalition-building arena

In their critique of paradigm shift understood as internalisation of pre-existing norms defining a new taken-for-granted understanding of appropriate action, Jabko and Schmidt (2021) suggests that paradigms are not pre-existing entities – one of which would win over the other, but are rather the result of practices and processes though which they were shaped. In other words, the authors argue that dynamics of interactions between actors constitute and reconstitute the narratives that emerge and become dominant at a given point in time. Along these lines, Jabko (2019) argued that during the Euro-crisis policymakers agreed that 'stronger governance' was needed. However, far from being a homogeneously defined paradigm, this narrative

of 'stronger governance' should be understood as a repertoire which relative open-endedness enabled policymakers to introduce significant policy novelty despite disagreement on what 'strong governance' really meant. In this case, the pragmatic adoption of the 'strong governance' repertoire explains why disciplinarian neo-liberal views coexisted with less orthodox interpretations of governance and ultimately produced institutional changes that mixed austerity and unconventional policies.

Along these lines, this paper shows that the pro-climate narrative did not result from the adoption of narrative preferred by one actor (say the ECB) by the other actor (say the EP). It is not either the result of a shift in the first-order preferences of actors. Actually, as shown in the next sections, pro-climate actors within both the ECB and the EP *continued, until after they started to publicly promote the pro-climate narrative linking climate change and prices stability,* to *actually* prefer a framing of ECB's pro-climate engagement in terms of secondary mandate and commitment to the Paris agreement.

Instead, the pro-climate narrative linking climate change and price stability was the result of the process of interactions between sub-groups of pro-climate actors within the ECB and the EP, who designed a narrative ambitious enough to potentially enact policy change, but vague and malleable enough to neutralise the opposition of 'conservative pro-climate' central bankers within the ECB – present both in the executive board and in the council of national governors. Those 'conservative pro-climate' central bankers were indeed not *a priori* opposed to the greening of central banking, but they remained primarily attached to the primary mandate of price stability as well as to preserving a generally 'conservative' workings of the central bank.

> H4: Pro-climate narrative is expected to have emerged through a coalition-building pragmatic strategy between pro-climate central bankers and MEPs in order to gain support from pro-climate conservatives

This hypothesis suggests a more active role for the MEPs in accountability relationships with the ECB. It implies that MEPs used accountability arena not (only) to listen to the ECB nor try to amend its actions, but to build a trans-institutional coalition and co-create a narrative enabling policy change. In consequence, the interactions between MEPs and central bankers are not necessarily characterised by influence and capture, as it is often depicted in the literature[8], but as a coalition of actors whose interactions have resulted in a narrative enabling a specific (and punctual) common policy goal.

Importantly, the process of coalition-building between pro-climate central bankers and MEPs has gone beyond the two institutions. In particular, civil society organisations such as Positive Money has been largely involved in

the coalition and co-creation of the pro-climate narrative (see Moschella *et al*., 2020; Deyris, 2022). In that sense, the coalition between pro-climate central bankers and MEPs is less characteristic of accountability relationships in general than representative of a broader process of politicisation of the ECB, which finds itself particularly visible and effective within the accountability arena (Tortola, 2020).

Data and methods

Databases

This sub-section presents three different accountability fora: the monetary dialogues, the written questions and the resolutions (including the resolution debates and the resolutions themselves), as well as three corresponding original datasets constructed for this analysis.[9] This analysis is based on EP-ECB accountability communications between 2014 and 2021 and generic information regarding the MEPs members of the Economic and Monetary Committee (ECON) (name, party, gender). Before 2014, there was no climate-related interventions, which are the focus of this study. The database allows me to document when and how MEPs brought up the climate question to the ECB and the dramatic increase of those types of interventions compared to other topics. They also allow me to document the timing of the convergence of narratives between MEPs and central bankers.

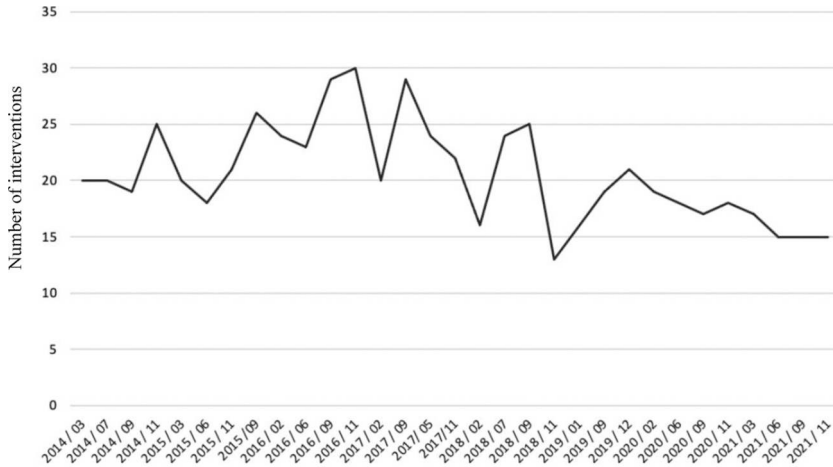
The monetary dialogues

The monetary dialogues take place every three months. The ECB president, occasionally another member of the executive board, reports on monetary policies and answer questions of the ECON MEPs. Monetary dialogues have been the focus of most academic attention (see for example Jourdan & Diessner, 2019; Fraccaroli, Giovannini, & Jamet, 2018; Fraccaroli et al., 2022a, 2022b).

The dataset constructed for this study comprises 638 interventions by MEPs (and the corresponding answers by the ECB official). Figure 1 pictures the number of interventions by MEPs in each parliamentary hearing since 2014. 128 different MEPs have participated in the monetary dialogues over the period under study.

The written questions

Any MEP may put a maximum of six questions per month for written answer to the ECB. During the whole period, I could find only one question that didn't receive a written answer. The written questions have drawn less academic attention than the monetary dialogues (but see Maricut-Akbik, 2020; Table 1).



Source: based on data from Massoc (2022a), own compilation

Figure 1. Number of MEPs' interventions in the monetary dialogues (2014-2021).
Source: Based on data from Massoc (2022a), own compilation.

206 different MEPs asked at least one question between 2014 and 2021. However, as depicted by Figure 2, where each single MEP is represented by a line, a small number of MEPs are comparatively significantly more active than others. At the left of the figure, we see that only one MEP asked more than 40 questions. While a lot of MEPs represented by the lines at the right of the figure asked only one or just a couple of questions during the whole period.

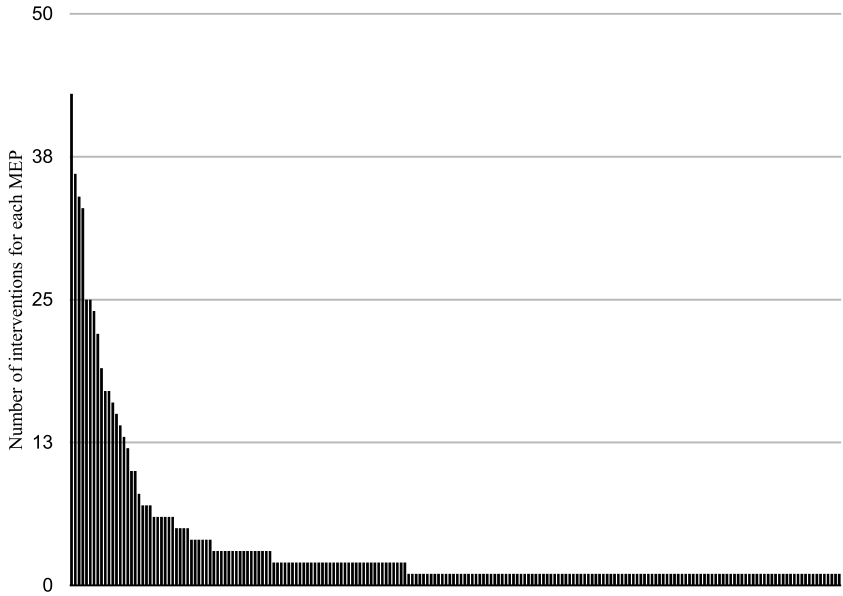
The resolutions debates

Every year, one ECB's Executive Board member present the ECB's annual report to the EP at a public hearing. The resolution is a feedback about this report. The resolutions result from the debates presented below. A resolution is adopted on behalf of the EP as a whole. By contrast with the other accountability forums, it is thus representative of the majoritarian position within the EP (Chang & Hodson, 2019). The MEPs debate in plenary session, attended by one of the ECB's Executive Board members. To my knowledge, EP's resolutions haven't been studied yet.

Table 1. Number of written questions by year.

	2014	2015	2016	2017	2018	2019	2020	2021	Total
Number of questions	61	175	121	111	80	54	76	42	720

Sources: Based on data from Massoc (2022a), own compilation.



Sources: based on data from Massoc (2022a), own compilation

Figure 2. Distribution of MEPs by number of written questions between 2014 and 2021.
Sources: Based on data from Massoc (2022a), own compilation.

There have been 222 interventions by MEPs in the resolution debates between 2014 and 2021.[10] The number of interventions in Table 2 is reported by year of ECB report.

121 MPs have taken part to the resolution debates during the period. By contrast with the written questions, the share of interventions is more balanced (see Figure 3).

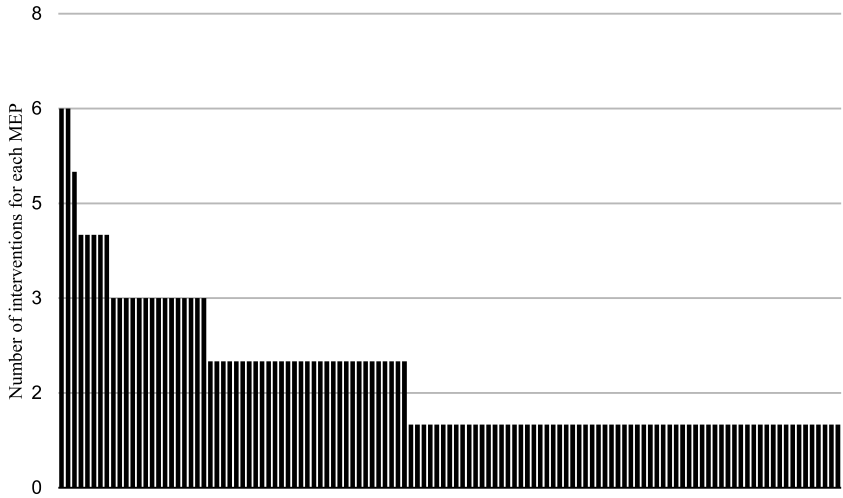
Quantitative and qualitative analysis of the datasets

The quantitative analysis of the databases allows me to examine the evolution of climate-related interventions over time and compare this evolution to other topics. To do so, I have used computer-assisted textual analysis of MEPs' interventions. Most transcripts retrieved from the ECB and EP websites are available in English across the three accountability fora. A few interventions in the resolution debates and in the monetary dialogues were in

Table 2. Number of interventions by year in the resolution debates.

	2014	2015	2016	2017	2018	2020	Total
Number of interventions	46	48	41	26	35	26	222

Sources: based on data from Massoc (2022a), own compilation.



Sources: based on data from Massoc (2022a), own compilation

Figure 3. Distribution of MEPs by number of interventions in the Resolution debates between 2014 and 2021.
Sources: Based on data from Massoc (2022a), own compilation.

other languages. I translated the non-English text into English using Google Translate (De Vries, Schoonvelde, & Schumacher, 2018).

I used dictionary techniques to capture the focus of the ECB on specific topics. Other text analysis methods have also been used to study MEPs' speeches, such as structural topic modelling (STM), establishing the presence of relevant word clusters to identify topics. Here, I opted for dictionary techniques for two reasons. First, politically important topics in the communications between the EP and the ECB have already been identified in the literature. Both dictionary and STM approaches arrive at similar lists of topics (Fraccaroli et al., 2020a; Ferrara *et al*., 2021). Second, it is important for this analysis to take into account the evolution of climate-related interventions. However, the number of climate-related interventions have increased only very recently. They still represented a small number of interventions compared to the total number of interventions between 2014 and 2021. For that reason, the climate change topic was not identified by STM techniques (Ferrara *et al*., 2021).

Building on pre-existing work, I look at seven topics that MEPs were likely to discuss: price stability; financial stability; social affairs; EMU governance; international developments; payment issues; and the climate. I used Fraccaroli *et al*.'s (2021) list of keywords for all the topics, while I created the list for the climate-related topic.[11]

I base my qualitative analysis of texts on all the climate-related interventions drawn from the datasets described above. These texts represent a corpus of 24 MEPs' written questions and corresponding answers, 35 interventions in the monetary dialogues and corresponding answers, 21 interventions in the resolution debates and four answers.[12] I use this corpus to examine to the timing and origins of specific discursive elements related to the pro-climate engagement of the ECB.

Interviews

I conducted nine in-depth interviews with four European central bankers, three members of the European Parliament (MEPs), one MEP's advisory staff member as well as one pressure group representative.[13] Central bankers interviewed are senior executives and staff members involved in departments concerned about climate-related topics as well as relationships with the EP. MEPs interviewed are members of the ECON commission that were involved with the ECB on climate-related issues. Six interviewees belong to the 'pro-climate' coalition that I identified in the process of this research, and three of them are neutral or opposed to it. The interviewees were selected by direct contact after identifying relevant actors as well as by snow-balling, with interviewee providing contact of another potential interviewee. In the text, I refer to these interviews as I1, I2, I3 etc …

These interviews served the analysis in three dimensions: first, they allowed me to define the first-order preferences of actors across time. Second, they allowed me to understand the views of insiders regarding ECB-EP accountability relationships and how they played out in the ECB's green turn. Finally, through questions about specific statements and specific timing, they allowed me to retrace more closely the mechanisms behind the pro-climate narrative emergence.

First-order preference and hypotheses-testing

In this section, I start by establishing actors' first-order preferences across time in order to understand how accountability mechanisms may have changed those preferences, may have altered the statement of those preferences or may have given primacy to the preferences of one group of actors over the other. The first-order preferences of actors within the ECB and the EP over the period are established through the analysis of the empirical data described in the previous section.

I distinguish three groups of actors, three within the ECB and two within the EP. Each of these groups has its preferred policies as well its preferred narrative in terms of legitimising why the ECB should (or not) become greener. The first groups of actors is composed of the *ECB pro-climate actors*. Their preferred

policy consists in implementing all the monetary and supervisory policy tools available in order to tackle climate change. Their preferred legitimising narrative is based on the legally binding character of the ECB secondary mandate as well as on the EU commitment to the Paris agreement (Elderson, 2021, I5, I6, I9). Before 2019, we find pro-climate central bankers in the ECB staff, in particular the department for International and European relations. After 2019, we also find them in the leadership of the ECB, including president Christine Lagarde and, even more explicitly, executive board member Franck Elderson.

The second category of ECB actors is composed of *conservative* central bankers. The preferred policy of this group is to not taking into account climate change (beyond limited actions aimed at reducing emissions at the organisational level). The preferred narrative of these central bankers to legitimise their position is that ECB's primary mandate does't give them legitimacy to fight climate change. The most prominent member of this group is Jens Weidmann, president of the Bundesbank until December 2021.

The third category of actors is composed of *pro-climate conservative* central bankers. Those are the central bankers who are not against the greening of the ECB *per se* but remain deeply attached to the primacy of the primary mandate – price stability (I5, I6, I8). We find pro-climate conservative central bankers both in the ECB staff and in the leadership. Isabel Schnabel, ECB executive board member since January 2020, is the most prominent representative of this group. This is the only group whose preferences have changed over time. In terms of policy, they moved from a conservative position towards a position envisioning the implementation of some pro-climate monetary policies. In terms of legitimising narrative, they moved from the narrative according to which climate-related objectives were not within ECB mandate (and may even conflict with it), towards the narrative according to which the ECB may implement pro-climate policies because climate change may affect price stability.

The groups present in the EP are the pro-climate MEPs and the conservative MEP. *Pro-climate MEPs* advocated for three types of policies. First, they pushed for the ECB to 'green' its Asset Purchase Programs (APP). In particular, in the framework of the Corporate Sector Purchase Programmes (CSPPs), they asked for a decrease in corporate bond purchases from carbon-intensive sectors and an increase in purchases from sectors in step with the energy transition and green energies. Second, they pushed the ECB to develop adequate measures for climate-related financial exposure of its APPs. Third, they asked for the banking supervisory dimension of the ECB to take into account climate risks in their supervision of the banking sector.[14] Just like pro-climate central bankers, pro-climate MEPs' preferred legitimising narrative is (and remains) based on the legally binding character of the secondary mandate and the Paris agreement (I1, I2, I5). Pro-climate MEPs are to be found in left party groups, mostly the Green European party. *Conservative MEPs* advocate

Table 3. First-order preferences table.

	Preferred policy	Preferred legitimising narrative	Prominent actor
ECB and EP pro-climate leaders	ECB should implement policies with the explicit objective of fighting climate change	ECB must abide by the Paris agreement and its secondary mandate, it is thus both bound and legitimate to implement climate-related policies	ECB: Franck Elderson EP: European Green MEPs (e.g Ernest Urtasun)
ECB and EP conservatives	ECB must implement policies with the sole objective of price stability (not climate)	ECB's primary mandate is to maintain price stability, not address climate change.	ECB: Jens Weidmann EP: European People's Party MEPs (e.g Markus Ferber)
ECB pro-climate conservatives	ECB must implement policies with sole objective of price stability exclusively CHANGED = > ECB must think of climate-related policies as long as it doesn't conflict with its price stability mandate	ECB's mandate is to maintain price stability, not address climate change. CHANGED = > ECB may address climate change because climate change affects price stability	Isabel Schnabel

Source: Own compilation.

against the greening of ECB monetary policies because its primary mandate doesn't give the bank any legitimacy to fight climate change or pursue any other political objective (I3). Conservative MEPs are to be found in the ranks of Right-wing party groups.

Table 3 summarises the first-order preferences of the five groups of actors and provide illustrative quotes[15]. Importantly, there is evidence that these first-order preference didn't change over the whole period under study for the four groups of pro-climate and conservative actors within the ECB and the EP. Even when pro-climate actors *stated* preferences changed in favour of the narrative linking climate action and price stability, their first-order preferences remained in favour of the narrative linking climate action to ECB secondary mandate (I1, I2, I4, I5, I6, I9). The discrepancy between stated versus first-order preferences is coherent with a strategic discursive shift in the pursuit of a policy objective in a political context where actors deem that their first-order preferences are not credibly reachable (Broockman, 2012; Massoc, 2019).

Based on first-order preferences established empirically, it is possible to test the hypotheses developed in the second section of the paper. Already, it is important to note that the 'winning' pro-climate narrative linking climate and price stability is not the first-order preference of any pro-climate or conservative actors. Also, although this narrative has been developed to convince pro-climate conservatives, it has not been developed by them, but by pro-climate actors with the ECB and the EP – as the next empirical section will show.

The first hypothesis stresses the importance of organisational dynamics within the ECB. In particular, it states that the arrival of pro-climate central bankers at the direction of the bank has been key in explaining the emergence of the narrative linking climate action and price stability. The coalition-building explanation proposed in this paper doesn't deny the importance of pro-climate leadership at the ECB. If nothing less, their arrival made the coalition stronger. Had pro-climate central bankers not been in charge, it is more than plausible that the pro-climate narrative wouldn't have emerged at all. However, pro-climate leadership should be seen as a *condition* for the emergence rather than an *explanation* for the emergence of the specific pro-climate narrative under study. Indeed, if the narrative had resulted only from ECB pro-climate leadership, those central bankers would have imposed their preferred narrative. This is not the case.

According to the second hypothesis, the ECB pro-climate leaders would have developed the pro-climate narrative internally, then pushed this narrative onto pro-climate MEPs for legitimisation purposes. The first issue with this hypothesis is that the dynamics at stake in the emergence of the pro-climate narrative are *not* institutional dynamics, but *sub-institutional* logics. The second issue is that the narrative hasn't been pushed *ex-post* about decisions that had already been made within the ECB. The pro-climate ECB leadership indeed actively publicised the pro-climate narrative. In that sense, there has been a sort of instrumentalization of the EP that helped stirring political salience around the pro-climate narrative. However, this instrumentalization was not done in the objective of legitimisation, but in a commonly agreed dynamics of coalition-building strategy.

The third hypothesis suggests an ideological convergence between pro-climate central bankers and MEPs. However, when assessed against the background of first-order preferences, it becomes clear that the pro-climate narrative linking climate and price stability has actually not convinced anybody – including those who preach it. Pro-climate central bankers and MEPs remain convinced that the pro-climate action of the ECB should be mostly grounded in its secondary mandate. Conservative central bankers and MEPs remain convinced that price stability mandate should trump any ECB climate-related action. The pro-climate narrative seems to correspond more closely to pro-climate conservatives' preferences (and indeed it was developed to get them on board), however, those central bankers seem to have made the choice to turn conservative rather than pro-climate in the recent context of high inflation after 2022. In sum, the winning pro-climate narrative is far from the result of an ideological convergence, given that nobody is, in truth, convinced by it.

Table 4 is a synthesis of the hypotheses, the expected outcome based on the hypotheses, the accountability relationship type that they imply, as well as an empirical check to test the accuracy of each hypothesis.

Table 4. Tested hypotheses.

	Explanatory mechanism	Expected outcome	Accountability relationship	Empirical check
H1: endogenous factors (nomination of ECB pro-climate leaders)	ECB pro-climate leaders become in position of power within the bank	ECB pro-climate leaders impose their preferred pro-climate narrative	Irrelevance	INVALIDATED The pro-climate narrative is not the first-order preferred narrative of pro-climate central bankers.
H2: instrumentalization of the EP by the ECB	ECB uses EP to legitimise pro-climate narrative developed within the ECB	A dominant narrative is established within the ECB to justify its policies. This narrative is pushed onto EP to legitimise ECB.	Instrumentalization	INVALIDATED The pro-climate narrative is not the first-order preferred narrative of pro-climate central bankers. Dynamics of interactions are sub-institutional and *ex-ante (not ex-post)*
H3: Ideological convergence	Central bankers developed pro-climate narrative coherent with their ideology and convinced MEPs	Pro-climate narrative reflect the ideology of pro-climate central bankers	Learning process	INVALIDATED The pro-climate narrative is nobody's first-order preferred narrative

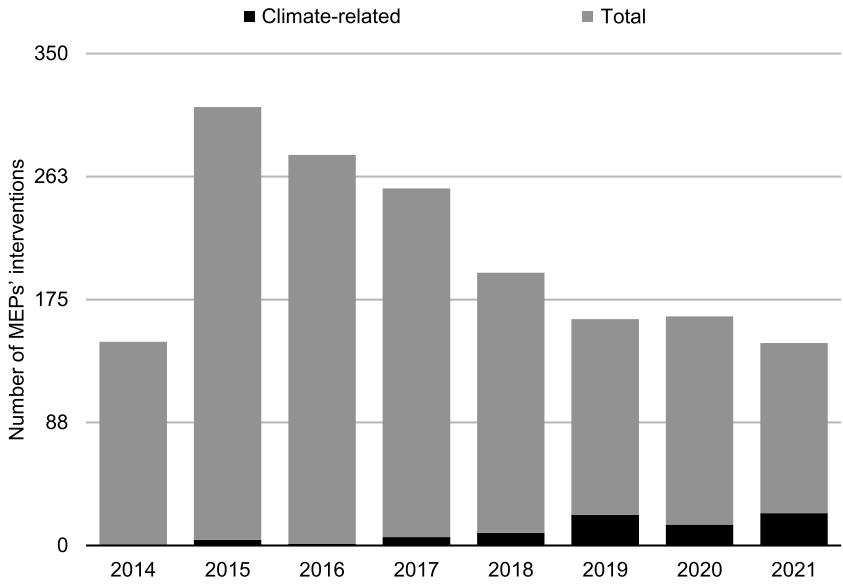
Source: Own compilation.

The next section empirically support the coalition-building hypothesis by tracing the emergence of the pro-climate narrative over two periods: the ECB conservative leadership (2014-2019) and the ECB pro-climate leadership (2020-).

Coalition-building and pragmatic adoption of a pro-climate narrative

This sections shows empirically that the emergence of the pro-climate narrative has resulted from a coalition-building strategy between pro-climate central bankers and MEPs aimed at rallying pro-climate conservative central bankers. This pragmatic alliance resulted from mechanisms deployed over two distinct periods of time:

1) Conservative leadership period (Draghi presidency (Until November 2019))
2) Pro-climate leadership period (Lagarde presidency (since November 2019))



Source: based on data from Massoc (2022a), own compilation

Figure 4. Number of interventions by MEPs in the monetary dialogues, the written questions and the resolution debates (2014-2021).
Source: Based on data from Massoc (2022a), own compilation.

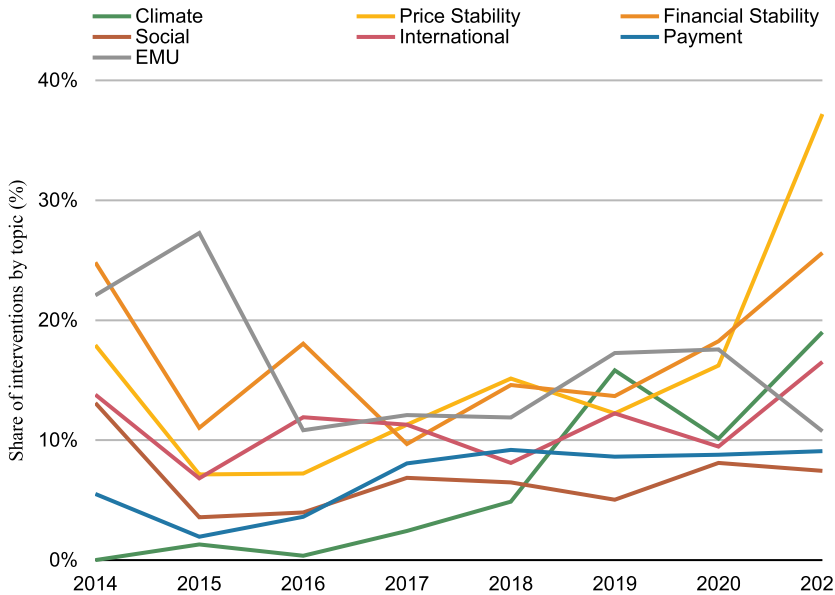
Conservative leadership period (2014-Nov 2019)

Figure 4 shows the numbers of MEPs' interventions including climate-related terms compared to the total number of interventions per year in the three accountability fora. Although climate-related interventions remain a minority compared to other topics, their number has increased over the period. The figure also shows that pro-climate MEPs started asking climate-related questions before 2019.

The importance of this increase becomes visually more obvious when the data is presented as the proportion of the climate topic compared to other topics with regard to the total number of MEPs interventions. Figure 5 shows this data in the monetary dialogues. While there was no climate-related intervention in 2014, almost 20% of the interventions included a climate-related topic in 2021. Unsurprisingly, interventions on climate-related topics come mainly from Green MEPs, who represent 40% of interventions – and almost 75% of all climate-related interventions are made by the left spectrum of group parties (see Massoc, 2022b, pp. 26–27).[16]

Climate versus price stability

Under the conservative leadership period, pro-climate MEPs mainly put forward one narrative in support for a greener ECB: the EU has committed



Source: based on data from Massoc (2022a), own compilation

Figure 5. Share of interventions by topic per year in the monetary dialogue.
Source: Based on data from Massoc (2022a), own compilation.

to a transition to a low-carbon economy in the framework of the 2015 Paris Climate Agreement. Being an EU institution, the ECB is bound by EU treaties, including the Paris Agreement. The following question asked by Ernest Urtasun (Green) in 2017 illustrates this discursive strategy:

> In 2015 the European Union agreed to the adoption of the Paris Climate Agreement. (…) As an institution of the EU, a party to the Paris Climate Agreement, does the ECB consider that it is bound by the aims of the agreement and that it should align its activities with them? If so, what steps will the ECB take to ensure that its policy is adjusted accordingly?

Confronted with such questions, the ECB conservative leadership kept reiterating the same two points. The first point built on the ECB's primary mandate: the ECB is legally bound to design its monetary policies according to maintaining price stability only – not to fighting climate change. This argument can be found in nearly all of Draghi's responses across all accountability fora. The following response exemplifies this point:

> Regarding your question on the climate impact of one of the ECB's monetary policy portfolios, namely the CSPP, I would like to point out that the CSPP is part of the ECB's APP, which aims to support a sustained adjustment in the path of inflation that is consistent with the ECB's aim of achieving inflation rates below, but close to, 2% over the medium term. The eligibility of

> assets for our purchase programmes is thus guided by our monetary policy objective[17]

The second line of argument presented by the ECB was that the investment towards the green transition was the role of politicians, not central bankers:

> Ethical and social behaviour, as well as good governance and climate-related issues, are of great importance to our societies. But in the first instance it is up to political leaders to define, agree and promote such criteria.[18]

Sub-institutional coalition-building: Pro-climate MEPs' pressures and internal work of ECB's pro-climate staff members

At first sight, ECB-EP communications during the conservative leadership period didn't seem very productive. However, behind the scenes, the pressures exerted by pro-climate MEPs triggered transformations that were key to the subsequent development of the pro-climate narrative linking climate crisis to price stability. First, the internal workings of the ECB made it impossible to dodge the increasing pressure by MEPs. Second, pro-climate ECB staff members took advantage of this political pressure to push their agenda. Third, inter-departmental organisational dynamics helped part of the ECB staff to elaborate the pro-climate narrative that would later gain traction.

When the MEPs started engaging with climate-related questions, the topic was largely under the radar of ECB's leadership. At first, these questions triggered incomprehension, even irritation, among ECB staff and executive members, as they didn't see climate as a central banking topic whatsoever.[19] However, ECB staff were forced to 'engage with this topic on which they wouldn't have engaged otherwise' (I9). Indeed, ECB's internal organisation makes it impossible to ignore an issue when it gains traction among MEPs: 'when there are a lot of interventions on one specific matter, it is just impossible to sideline it for long' (I9).[20]

Answering to MEPs was challenging at first because ECB staff didn't have much input from their leadership. However, this gap became an opportunity for pro-climate staff to push on their green agenda. As stated by one interviewee: 'putting the climate issue on financial stability was an initiative of individual staff members'(I4, I6, I9).[21] At this point, no specific legitimising narrative had emerged – but parliamentary pressures made it a requirement for central bankers to find one. ECB staff in the financial stability department started addressing the question of climate crisis impact on financial stability and the issue gained traction up to the executive board (Coeuré, 2018). Given that pro-climate conservatives started to acknowledge the impact of climate on financial stability, pro-climate ECB staff saw the opportunity to push them on price stability too (I8, I9).

Pro-climate ECB staff members developed the narrative linking climate and price stability, not out of conviction, but rather to deal with the internal

opposition of pro-climate conservatives.[22] They were able to do that thanks to the accountability relationships that pro-climate MEPs used to put pressure on the ECB. Had MEPs not put pressure on the ECB, no pro-climate narrative would have emerged at all.

Second period: pro-climate leadership (Nov 2019-)

The advent of pro-climate central bankers

The importance of the change in ECB leadership has been underlined in the literature – and rightly so (Deyris, 2022). Lagarde took on the pro-climate narrative linking climate crisis and price stability quickly. When Christine Lagarde prepared for her audition at the EP in September 2019, ECB staff involved in dealing with the parliamentary pressures in the previous period communicated about it with her. Lagarde is not a central banker by training, but she is an experienced politician. Compared to Draghi, she works by defining goals and providing general guidance to reach them and she relies more on the staff to settle technicalities. When she became president, it was thus important that internal work had already been done within the ECB, so that 'she had something to build on' (I9). In February 2020, she had already made the pro-climate narrative her own:

> What I suggested, and what I believe, is that within the primary objective, environmental sustainability has an impact and should be factored in, because it has an impact on prices and relative prices (…) and because it forms this aggregate of elements that we have to take into account when we contribute, by our monetary policy, to price stability, which is our key mandate.[23]

Sub-institutional coalition-building: instrumentalized pressures to confront internal opposition

In 2020-2021, the ECB was preparing its strategy review.[24] This was an important process since the review aimed at explaining past policy choices as well as clarifying and justifying future strategies. At this point, all the executive members were more or less inclined to do more on climate change. However, the opposition within the Governing Council of governors was still quite virulent. The opposition came from specific national governors (prominently from the Bundesbank), but also from specific committees which staff didn't see positively the pro-climate's turn taken by the executive board. Pro-climate central bankers had thus to confront these veto players. They quickly dismissed the option of justifying ECB's pro-climate engagement by the importance of its secondary mandates. Indeed, they knew that governors 'would never let them open that window' (I6). The narrative according to which the ECB needs to address the climate crisis within its primary mandate had more chance to gain acceptance. But even so, they had to use political pressure to impose this narrative.

To build up such pressure, pro-climate central bankers engaged and publicised their interactions with pro-climate actors.[25] While doing so, they brought salience to the issue and legitimatised the voice of actors in favour of a greener ECB, thus 'making hawks' position more difficult to hold' (I9). Lagarde also explicitly called for MEPs to put pressure on the ECB in a way that she may use to confront her colleagues in the Governing Council. For example, in June 2020, she said in response to MEP Paul Tang:

> The more you (…) align your objectives with the green dimension, with the fight against climate change (…) clearly the more legitimate this green economy becomes, and therefore, through price stability, our primary mandate, we have to support it.

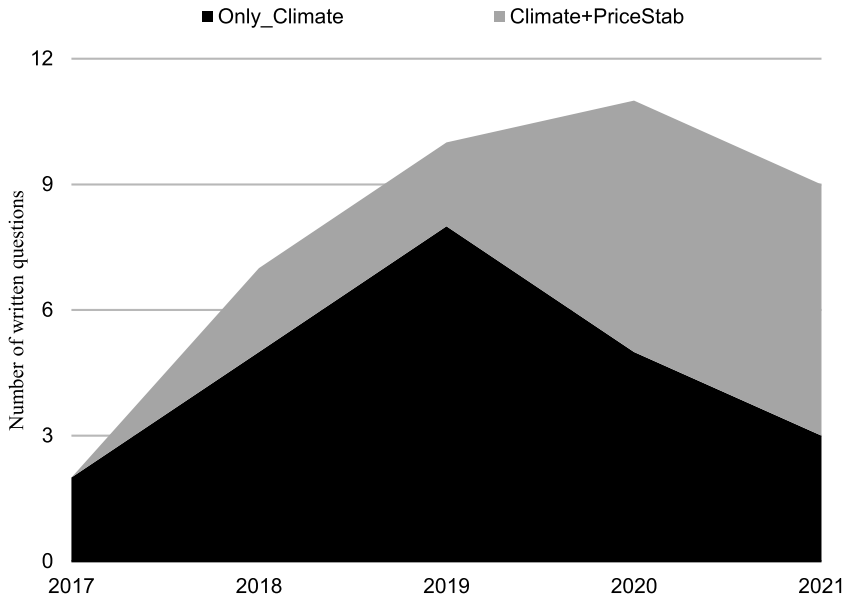
Another answer later in 2021 pointed directly at the necessity to convince the governors:

> We have not a complete and final determination on that particular aspect of the impact of climate change (…). This is a matter that is under discussion at the Governing Council. So, I'm here stating views that are shared with staff and I'm setting out my view on the matter.[26]

But for this pressure to be effective, MEPs had to push the same narrative as herself onto her reluctant colleagues. Pro-climate MEPs did not spontaneously buy the pro-climate narrative developed within the ECB (following their own pressures). This is quite understandable, given that ECB's primary mandate was used by Draghi precisely to justify that monetary policies should not seek to address climate change. However, they decided to switch their narrative quite radically in order to help pro-climate central bankers to achieve their agenda in the context of the strategy review. This strategy was discussed among the pro-climate ECON MEPs members along with their policy advisors (I1, I2). One interviewee explained:

> It wasn't very worth it to push on the secondary mandates. Focusing on the primary mandate could work because central bankers refer to this all the time (…) So we applied ourselves to strengthening the primary mandate argument. (I4)

Figure 6 quantitatively captures the evolution of MEPs' interventions in the written questions and the monetary dialogues regarding climate and price stability. Coloured green is the evolution of the number of interventions concerned with climate change *only*. There was a dramatic increase in this type of intervention until 2019, then their number decreased. Coloured yellow is the number of interventions concerned with *both* climate change and price stability. In 2020 and 2021, MEPs' interventions concerned with both climate change and price stability outnumbered their interventions concerned with climate change only.[27] In 2021, 6 questions were linking price stability and climate change, and only 3 addressed climate without mentioning price stability.



Source: based on data from Massoc (2022a), own compilation

Figure 6. Evolution of the number of written questions about 'climate change' only or about 'climate change and price stability'.
Source: Based on data from Massoc (2022a), own compilation.

The following short communication between Green MEP Ernest Urtasun and Christine Lagarde in the monetary dialogue in March 2021 illustrates this convergence on the pro-climate narrative:

– My first question, President Lagarde, is whether you agree that climate change could be considered a precondition for price stability and therefore that it could be included in the primary mandate of the ECB (…)
– Let me be very clear about [your question], which is on the issue of whether climate change at large is to be considered part of our primary objective. The answer is yes.

Pro-climate MEPs thus (reluctantly at first) joined pro-climate central bankers in adopting this narrative because they thought that it had the leverage to convince ECB pro-climate conservatives whose mindset was more cautiously focused on the price stability mandate (Jabko & Kupzok, 2021).

The result of focusing on the primary objective was to switch the position of pro-climate conservative central bankers. The case in point of this switch is represented by Executive Board member Isabel Schnabel. Schnabel could not be considered a 'pro-climate' central bankers when she was nominated.

Table 5. Coalition-building argument – Synthetic table.

	Explanatory mechanism	Expected outcome	Accountability relationship	Empirical check
H4: sub-group cross-institutional coalition	Pro-climate ECB and pro-climate MEPs coalesce to promote a narrative that will allow to implement pro-climate policies (by convincing pro-climate conservatives)	Pro-climate institutional sub-group have adopted a second order preferred common discourse to overcome ECB internal resistance (gain ECB pro-climate conservatives)	Coalition-building	SUPPORTED Pro-climate ECB and pro-climate MEPs have adopted a second preferred discourse to convince and put pressure on ECB pro-climate conservatives, necessary to implement policies
Subfidings				
H4a: sub-group coalition with **co-creation** of strategic discourse by pro-climate ECB and pro-climate MEPs	Narrative developed by a back and forth between pro-climate ECB and pro-climate MEPs	The second preferred narrative has resulted from interactive actions by both pro-climate ECB and pro-climate MEPs	Coalition-building (Co-creation)	SUPPORTED BEFORE pro-climate ECB leadership
H4b: sub-group coalition with **support of pro-climate MEPs** to pre-established strategic discourse developed by pro-climate ECB	Narrative developed among the pro-climate ECB, and then adopted by pro-climate MEPs	The second preferred narrative is developed within the pro-climate ECB and then push on the pro-climate MEPs to put pressure on pro-climate conservatives	Coalition-building (Support)	SUPPORTED AFTER pro-climate ECB leadership

Source: Own compilation.

During her confirmation hearing in June 2020, she stated that 'climate change is not the primary mandate of the ECB. The primary mandate is price stability'.[28] By contrast, in September 2021, she wrote that: 'The main reason central banks should increase their attention to climate change is the likelihood it will affect their ability to achieve their mandates.'[29]

Table 5 syntheses the coalition-building argument that was presented in this section and how the coalition-building process between the pro-climate central bankers and MEPs deployed over the two periods of conservative and pro-climate ECB leaderships.

Discussion

This paper has shown that accountability forum may serve as coalition-building arena between sub-groups of actors within the ECB and the EP, thus

picturing a more active role for accountability relationships than what is often pictured in the literature. When facing internal conflict, central bankers get out of their ivory tower and look for political alliances. In that sense, the politicisation of central banking may be characterised by sub-institutional logics rather than by institutional logics.

Second, the narrative linking pro-climate engagement and price stability has proven quite effective in supporting a greener role for the ECB by rallying, at least momentarily, pro-climate conservative central bankers. The 2021 strategy review indeed anchors the issue of climate change into ECB's monetary policy and provides a further roadmap to incorporate climate considerations into its policy framework (ECB, 2021). However, building on this pro-climate narrative is also precarious, as the concrete implications of this requirement become further examined. The narrative linking climate change and price stability is quite vague and malleable. These characteristics precisely made it possible for the pro-climate actors to rally the pro-climate conservatives. However, such a repertoire allows for one policy recommendation – but also for its opposite.

As a matter of fact, tensions around the pro-climate narrative have resurfaced in a context of ECB's monetary tightening. On one side, some have stressed that current inflation is largely caused to rise in energy prices, itself due to EU's dependence on fossil energies. ECB's monetary tightening has lead to a sharp rise in funding costs for the green energy sector, thus contributing to energy price inflation (Voldsgaard *et al*., 2022). According to this logics – if the narrative linking climate and price stability was to be taken seriously – the ECB should *now more than ever* promote clean energy investment in order to avoid further energy-related inflationary shocks down the road (see van't Klooster, 2022).

By contrast, others have claimed that, because inflation hurt investment overall (including green investment), tighter financing conditions are needed *today* and must take precedence over promoting pro-climate investments (Schnabel, 2022). Pro-climate conservative central bankers, who were arguably the main target of the narrative developed by the pro-climate coalition, largely support this second position. This outcome rises serious question about the effective capacity of the ECB to make a significant green policy turn. Indeed, the coalition-building strategy leading to the emergence of a pro-climate narrative has been politically costly – in the sense that it demanded much political work from both pro-climate central bankers and MEPs, and required from them to advocate for a narrative that is not coherent with their real preferences. However, in the end, political gains resulting from this strategy may prove quite thin.

The debates around the impacts of central banking in society at large have gone beyond the crucial question of climate change. Notably, the impacts of ECB's monetary policy on inequalities have been discussed (Di Luccio, 2023

Dossche *et al*., 2021; Fontan *et al*., 2016;). Can the coalition-building strategy identified in this paper travel to other 'progressive' policy areas? The centrality of conservative pro-climate central bankers makes this option unlikely. Creating a similar coalition would require to credibly frame the social costs of monetary policy as impacting price stability. There have been such attempts, based on the recent scholarship linking rising profits and inflation (Weber & Wasner, 2023; Scroeder Bosch, 2023). However, many progressive actors (including within the pro-climate coalition) tend to think that the social impacts of monetary policies are more effectively used as a counterpoint to the climate engagement of the ECB, precisely in order to underline that if the former issue is *not* part of the central bank's primary mandate, the latter undoubtedly *is* (I9).

Moschella (2023) recently stated that central banks 'cannot have it both ways': fighting recessionary forces and preserving institutional expectations at the same time. Ultimately, only a democratic debate about the role of central banking in the green transition and beyond can resolve this fundamental tension.

Notes

1. In the rest of the paper, I use the short phrase 'pro-climate narratives' to refer to the narratives supporting the active engagement of the ECB in seeking to mitigate the climate crisis and foster the transition to a sustainable economy. I use 'pro-climate' actors to refers to the actors supporting these narratives.
2. More specific timeframes will be discussed later in the paper.
3. Article 127(1) of the Treaty on the Functioning of the European Union Article.
4. By contrast with the FED and the Bank of England for example, the very impossibility to change mandate of the agent (ECB) by the principal (EP) makes it hard to consider the two entities to be in a classic principal-agent relationship (Amtenbrink & Van Duin, 2019; Maricut-Akbik, 2020; Fontan and Howarth, 2021, pp. 243–244). At the EU level, revising most parts of the ECB mandate requires Treaty changes in the case of monetary policy.
5. Following Bovens (2007), the monetary dialogues, the written questions and the resolution debates are three processes or modalities of one unique accountability forum between the ECB and the EP. However, to facilitate the reading of the text, I will keep referring to them as different fora or arenas.
6. For a critique, see Schoenmaker, 2021; Van't Klooster & Fontan, 2020.
7. Braun (2016) has shown that central bankers autonomously modify their narratives regarding money theory depending on the context.
8. Some authors have shown that the financial sector largely shaped central banking, stressing lobbying (Epstein, 2020), finance infra-structural power (Braun, 2020) or regulatory capture (Adolph, 2013). Other have stressed the role of academic economists (Ban and Patenaude, 2019). Yet others have suggested that politicians may also influence central banking, but they have mostly focused on governments (Moschella & Diodati, 2020).
9. See Appendix A for the links from which the data was scraped.

10. There is a missing year on the 2019 ECB report. This year is thus also missing for the resolution debates and amendments.
11. See Appendix B for lists of keywords and examples of coded statements.
12. In the resolution debates, the ECB official doesn't provide an answer to each intervention but provide a group answer after several MEPs' interventions.
13. See Appendix C for an anonymised list of interviewees.
14. These requests became more specific over time. For example, MEPs developed more detailed requirements regarding the taxonomy of green assets in the latter stages of the period compared to the beginning of the period when it was just about the general 'greening' of monetary policies.
15. See Appendix D for a more extensive version of this table, along with illustrative quotes.
16. see Appendix E for data in other accountability fora.
17. Answer to Paul Tang, Neena Gill, Jonás Fernández.
18. Draghi's answer to Reinhard Bütikofer's written question (early 2016).
19. Carney (2015) remains quite an isolated case at this point of time.
20. Around 10 staff-members within ECB's European and International Department are dedicated to accountability relationships with the EP. They monitor MEPs interventions, send questions to relevant departments, who send them their answers back. The president reviews and signs the answers.
21. In 2017, Draghi acknowledged the binding character of the Paris Agreement following the prompt written by an individual staff member.
22. A similar story may have happened to justify unconventional monetary policies throughout the Euro-crisis, when the ECB came up with the notion of 'transmission mechanisms' to justify that large-scale asset purchases were actually needed to fulfil the primary mandate.
23. February 2020, Lagarde's answer to S&D MEP Evelyn Regner.
24. The strategy review was aimed to be published at the end of 2020 but was postponed due to the COVID crisis to the end of 2021.
25. For example, on Monday 2 December 2019, a group of NGOs including Positive Money Europe met with Christine Lagarde to hand over a letter calling on the ECB to accelerate its efforts in the fight against climate change. This event was covered by several prominent newspapers. See Positive Money's press review about the event at https://www.positivemoney.eu/2019/12/meeting-ecb-president-christine-lagarde/.
26. Lagarde answer to MEP Ernest Urtasun 2021/03.
27. See Appendix F for the text of the first interventions linking climate and price stability in each of the accountability forum.
28. She later added that climate change could be addressed, but only at it doesn't conflict with the primary mandate. See https://www.youtube.com/watch?v=mIGXMlDMn5E.
29. https://www.imf.org/en/Publications/fandd/issues/2021/09/isabel-schnabel-ECB-climate-change. See Appendix G to read how Isabel Schnabel describes her evolution on this topic.

Acknowledgements

I would like to thank the four anonymous reviewers who have provided me useful feedback on this paper. I would also like to thank the interviewees who made this research possible.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Funding

The data on which this research is based has benefited from a research grant from Positive Money Europe.

Data availability statement

The data on which this research is based is Massoc, E.C. 2022. How MEPs hold the ECB accountable. Ann Arbour, MI: Inter-university Consortium for Political and Social Research [distributor], 2022-06-10. Available at https://doi.org/10.3886/E167901V1.

Notes on contributor

Elsa Clara Massoc is an assistant professor at the School of Economics and Political Science at the University of Saint Gallen.

References

Abolafia, M. Y. (2012). Central banking and the triumph of technical Rationality. In K. Knorr Cetina, & A. Preda (Eds.), *The Oxford handbook of the sociology of finance* (pp. 94–114). Oxford University Press.

Adolph, C. (2013). *Bankers, bureaucrats, and central bank politics: The myth of neutrality*. Cambridge University Press.

Amtenbrink, F., & Van Duin, K. (2009). The European central bank before the European parliament: Theory and practice after 10 years of monetary dialogue. *European Law Review*, *34*(4), 561–583.

Ban, C., & Patenaude, B. (2019). The professional politics of the austerity debate: A comparative field analysis of the European Central Bank and the International Monetary Fund. *Public administration*, *97*(3), 530–545.

Bosch, J. S. (2023). Profits, not wages, should be ECB main concern. *Positive Money Blog*. https://www.positivemoney.eu/2023/03/profits-not-wages-ecb-main-concern/.

Bovens, M. (2007). Analysing and assessing accountability: A conceptual framework 1. *European law Journal*, *13*(4), 447–468. https://doi.org/10.1111/j.1468-0386.2007.00378.x

Bowman, A., Erturk, I., Froud, J., & Johal, S. (2012). Central bank-led capitalism. *Seattle UL Rev*, *36*, 455.

Braun, B. (2016). Speaking to the people? Money, trust, and central bank legitimacy in the age of quantitative easing. *Review of International Political Economy*, *23*(6), 1064–1092. https://doi.org/10.1080/09692290.2016.1252415

Braun, B. (2017). *Central bank planning: Unconventional monetary policy and the price of bending the yield curve*. Routledge.

Braun, B. (2020). Central banking and the infrastructural power of finance: The case of ECB support for repo and securitization markets. *Socio-Economic Review*, *18*(2), 395–418. https://doi.org/10.1093/ser/mwy008

Braun, B., Gabor, D., Mader, P., Mertens, D., & Van Der Zwan, N. (2020). Central banking, shadow banking, and infrastructural power. In *The Routledge international handbook of financialization* (pp. 241–252). Routledge.

Broockman, D. E. (2012). The "problem of preferences": Medicare and business support for the welfare state. *Studies in American Political Development*, *26*(2), 83–106. https://doi.org/10.1017/S0898588X12000077

Busuioc, M. (2009). Accountability, control and independence: The case of European agencies. *European Law Journal*, *15*(5), 599–615. https://doi.org/10.1111/j.1468-0386.2009.00480.x

Busuioc, M., & Jevnaker, T. (2022). EU agencies' stakeholder bodies: vehicles of enhanced control, legitimacy or bias?. *Journal of European Public Policy*, *29*(2), 155–175.

Busuioc, E. M., & Lodge, M. (2016). The reputational basis of public accountability. *Governance*, *29*(2), 247–263.

Carney, M. (2015). Breaking the tragedy of the horizon–climate change and financial stability. *Speech Given at Lloyd's of London*, *29*, 220–230.

Chang, M., & Hodson, D. (2019). Reforming the European parliament's monetary and economic dialogues: Creating accountability through a euro area oversight subcommittee. In *The European Parliament in times of EU crisis: Dynamics and transformations* (pp. 343–364). Springer.

Claeys, G., Hallerberg, M., & Tschekassin, O. (2014). *European Central Bank accountability: How the monetary dialogue could be improved (No. 2014/04)*. Bruegel Policy Contribution.

Coeuré, B. (2018). *The future of central bank money*. Speech at the International Center for Monetary and Banking Studies.

Collignon, S., & Diessner, S. (2016). The ECB's monetary dialogue with the European parliament: Efficiency and accountability during the euro crisis? *JCMS: Journal of Common Market Studies*, *54*(6), 1296–1312. https://doi.org/10.1111/jcms.12426

Coombs, N., & Thiemann, M. (2022). *Recentering central banks: Theorising state-economy boundaries as central bank effects*. *Economy and Society*.

Dawson, M., & Maricut-Akbik, A. (2021). Procedural vs substantive accountability in EMU governance: between payoffs and trade-offs. *Journal of European Public Policy*, *28*(11), 1707–1726. https://doi.org/10.1080/13501763.2020.1797145

De Grauwe, P. (2012). The governance of a fragile eurozone. *Australian Economic Review*, *45*(3), 255–268. https://doi.org/10.1111/j.1467-8462.2012.00691.x

De Vries, E., Schoonvelde, M., & Schumacher, G. (2018). No longer lost in translation: Evidence that Google Translate works for comparative bag-of-words text applications. *Political Analysis*, *26*(4), 417–430.

Deyris, J. (2023). Too green to be true? Forging a climate consensus at the European Central Bank. *New Political Economy*, *28*(5), 713–730.

Diessner, S. (2022). The promises and pitfalls of the ECB's 'legitimacy-as-accountability'towards the European parliament post-crisis. *The Journal of Legislative Studies*, *28*(3), 402–420.

Di Luccio, S. (2023). Windfall profits for banks, crises for the people. The money system is unfair and needs the be reformed. *Positive Money Blog*. https://www.positivemoney.eu/2023/03/windfall-profits-for-banks/.

Dossche, M., Slačálek, J., & Wolswijk, G. (2021). Monetary policy and inequalities. *ECB Economic Bulletin*, Issue 2/2021. https://www.ecb.europa.eu/pub/economic-bulletin/articles/2021/html/ecb.ebart202102_01~1773181511.en.html.

ECB. (2021a). ECB presents action plan to include climate change considerations in its monetary policy strategy. Press release.
ECB. (2021b). Climate change and monetary policy in the euro area. *Occasional Paper Series No 271 / September 2021*.
ECB. (2022). ECB takes further steps to incorporate climate change into its monetary policy operations. Press release.
Elderson, F. (2021). Blog post "Greening Monetary policy". Published 13/02/2021, https://www.ecb.europa.eu/press/blog/date/2021/html/ecb.blog210213~7e26af8606.en.html.
Epstein, G. (2020). The bankers' club and the power of finance. In *The Routledge international handbook of financialization* (pp. 437–447). Routledge.
Ferrara, F. M., Donato Masciandaro, M., & Moschella, D. R. (2021). Political voice on monetary policy: Evidence from the parliamentary hearings of the European central bank. *European Journal of Political Economy*, 102143.
Fligstein, N., Stuart Brundage, J., & Schultz, M. (2017). Seeing like the Fed: Culture, cognition, and framing in the failure to anticipate the financial crisis of 2008. *American Sociological Review*, *82*(5), 879–909. https://doi.org/10.1177/0003122417728240
Fontan, C. (2018). Frankfurt's double standard: the politics of the European Central Bank during the Eurozone crisis. *Cambridge Review of International Affairs*, *31*(2), 162–182. https://doi.org/10.1080/09557571.2018.1495692
Fontan, C., Claveau, F., & Dietsch, P. (2016). Central banking and inequalities: Taking off the blinders. *Politics, Philosophy & Economics*, *15*(4), 319–357. https://doi.org/10.1177/1470594X16651056
Fontan, C, & Howarth, D. (2021). The European Central Bank and the German constitutional court: Police patrols and fire alarms. *Politics and Governance*, *9*(2), 241–251.
Fraccaroli, N., Giovannini, A., & Jamet, J. F. (2018). The evolution of the ECB's accountability practices during the crisis. *Economic Bulletin Articles, European Central Bank*, *5*.
Fraccaroli, N., Giovannini, A., Jamet, J. F., & Persson, E. (2022a). Does the European Central Bank speak differently when in parliament. *The Journal of Legislative Studies*, *28*(3), 421–447.
Fraccaroli, N., Giovannini, A., Jamet, J. F., & Persson, E. (2022b). Ideology and monetary policy. The role of political parties' stances in the European Central Bank's parliamentary hearings. *European Journal of Political Economy*, *74*, 102207.
Gabor, D., & Ban, C. (2016). Banking on bonds: The new links between states and markets. *JCMS: Journal of Common Market Studies*, *54*(3), 617–635.
Goodhart, C. A. (1998). The Two concepts of money: Implications for the analysis of optimal currency areas. *European Journal of Political Economy*, *14*(3), 407–432. https://doi.org/10.1016/S0176-2680(98)00015-9
Hauke, F. (2023). *Winning hearts and minds—How central banks went green*. Springer Nature.
Jabko, N. (2006). Market Dynamics and Institutional Change: The Birth of the European Union in Historical Perspective. In *L'intégration Européenne: Entre Émergence Institutionnelle et Recomposition de l'État'*.
Jabko, N. (2009). L'Europe par le marché. In *Histoire d'une stratégie improbable* (pp. 292). Presses de Sciences Po.
Jabko, N. (2019). Contested governance: the new repertoire of the Eurozone crisis. *Governance*, *32*(3), 493–509. https://doi.org/10.1111/gove.12389
Jabko, N., & Kupzok, N. (2021). Indirect responsiveness and green central banking. *Journal of European Public Policy*, 1–25.

Jabko, N., & Schmidt, S. (2021). Paradigms and practice. *International Studies Quarterly*, *65*(3), 565–572. https://doi.org/10.1093/isq/sqab028

Jourdan, S., & Diessner, S. (2019). *From dialogue to scrutiny: Strengthening the parliamentary oversight of the European central bank*. Positive Money Europe.

Marcussen, M. (2009). Scientization of central banking: The politics of A-politicization. In K. Dyson, & M. Marcussen (Eds.), *Central banks in the Age of the euro* (pp. 373–390). Oxford University Press.

Maricut-Akbik, A. (2020). Contesting the European central bank in banking supervision: Accountability in practice at the European parliament. *JCMS: Journal of Common Market Studies*, *58*(5), 1199–1214. https://doi.org/10.1111/jcms.13024

Massoc, E. C. (2019). Taxing stock transfers in the first golden age of financial capitalism: political salience and the limits on the power of finance. *Socio-Economic Review*, *17*(3), 503–522. https://doi.org/10.1093/ser/mwx039

Massoc, E. C. (2022a). How MEPs hold the ECB accountable. Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distributor], 2022-06-10. https://doi.org/10.3886/E167901V1.

Massoc, E. (2022b). Massoc, Elsa, How do Members of the European Parliament (MEPs) hold the European Central Bank (ECB) Accountable? A descriptive quantitative analysis of three accountability forums (2014-2021) (June 20, 2022). LawFin Working Paper No. 40, Available at SSRN: https://ssrn.com/abstract=4155627.

Mersch, Y. (2018). Climate change and central banking. European Central Bank. Retrieved 15 May, 2022, from https://www.ecb.europa.eu/press/key/date/2018/html/ecb.sp181127.en.html.

Micossi, S. (2015). The monetary policy of the European central bank (2002–201'). Centre for European Policy Studies: Special Report 109. May.

Moschella, M. (2023). Unmaking orthodoxies. The Reputational limits of central banks. *Phenomenal World*, January 21.

Moschella, M., & Diodati, N. M. (2020). Does politics drive conflict in central banks' committees? Lifting the veil on the European Central Bank consensus. *European Union Politics*, *21*(2), 183–203. https://doi.org/10.1177/1465116519890412

Moschella, M., Pinto, L., & Martocchia Diodati, N. (2020). Let's speak more? How the ECB responds to public contestation. *Journal of European Public Policy*, *27*(3), 400–418. https://doi.org/10.1080/13501763.2020.1712457

Quaglia, L., & Verdun, A. (2022). Explaining the response of the ECB to the COVID-19 related economic crisis: Inter-crisis and intra-crisis learning. *Journal of European Public Policy*, 1–20.

Schmidt, V. A. (2010). Taking ideas and discourse seriously: explaining change through discursive institutionalism as the fourth 'new institutionalism'. *European Political Science Review*, *2*(1), 1–25. https://doi.org/10.1017/S175577390999021X

Schmidt, S J. (2016). *Histories and discourses: Rewriting constructivism*. Andrews UK Limited.

Schnabel, I. (2022). Monetary policy and the great volatility. In Remarks made at the Jackson Hole Economic Policy Symposium: Macroeconomic Policy in an Uneven Economy (August). https://www.ecb.europa.eu/press/key/date/2022/html/ecb.sp220827~93f7d07535.en.html.

Schoenmaker, D. (2021). Greening monetary policy. *Climate Policy*, *21*(4), 581–592.

Siderius, K. (2023). An unexpected climate activist: Central banks and the politics of the climate-neutral economy. *Journal of European Public Policy*, *30*(8), 1588–1608. https://doi.org/10.1080/13501763.2022.2093948

Thiemann, M., Büttner, T., & Kessler, O. (2023). Beyond market neutrality? Central banks and the problem of climate change. *Finance and Society*, *9*(1), 14–34.
Torres, F. (2016). The EMU's legitimacy and the ECB as a strategic political player in the crisis context. In *Redefining European Economic Governance* (pp. 93–106). Routledge.
Torres, F. (2016). The EMU's legitimacy and the ECB as a strategic political player in the crisis context. In *Redefining European Economic Governance* (pp. 93–106). Routledge.
Tortola, P. D. (2020). The politicization of the European Central Bank: What is it, and how to study it? *JCMS: Journal of Common Market Studies*, *58*(3), 501–513. https://doi.org/10.1111/jcms.12973
van't Klooster, J. (2022). The European Central Bank's strategy, environmental policy and the new inflation: A case for interest rate differentiation. *LSE Grantham Research Institute on Climate Change and the Environment Report*.
Van't Klooster, J., & Fontan, C. (2020). The myth of market neutrality: A comparative study of the European Central Bank's and the Swiss National Bank's corporate security purchases. *New Political Economy*, *25*(6), 865–879.
Voldsgaard, A., Egli, F., & Pollit, H. (2022). Can we avoid green collateral damage from rising interest rates?, *UCL IIPP Blog*, 20 June. https://medium.com/iipp-blog/can-we-avoid-green-collateral-damage-from-rising-interest-rates-1259ea94c9ea.
Wansleben, L. (2023). *The rise of central banks: State power in financial capitalism*. Harvard University Press.
Weber, I. M., & Wasner, E. (2023). Sellers' inflation, profits and conflict: Why can large firms hike prices in an emergency?
Weidmann, J. (2020). Combating climate change – What central banks can and cannot do. https://www.bundesbank.de/en/press/speeches/combating-climate-change-what-central-banks-can-and-cannot-do-851528.