

Study focuses on the Bank of England and its environmental mandate in relation to net zero

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James Jackson has published an [article](#) with Dan Bailey from Manchester Metropolitan University in Sage Journals focusing on the

Bank of England and its environmental mandate in relation to net zero.

The role of central banks in perpetuating and tackling the economic patterns associated with [climate change](#) has increasingly been subject to academic and political attention. The Bank of England is no exception, having received a new mandate to 'facilitate the transition to net zero' in March 2021. This follows the Bank's utilization of its monetary tools to repeatedly stabilize the [economic status](#) quo since 2008, despite its ecological consequences.

This article reveals the perceptions within the British state of the new mandate and the forms of institutional change demanded by it, based on a series of elite interviews with Treasury officials and other UK monetary policy experts, as well as a discourse analysis of Bank publications and speeches.

They find that Bank actors lobbied for the new mandate to legitimize its development of climate risk assessments and license internal dialogue on the implications of its monetary policy. But the mandate is perceived to be in immediate conflict with, and subservient to, the Bank's primary structural objective of maintaining price and financial stability, due to the potentially destabilizing effects of private capital realignment during a net zero transition.

Institutional change within the Bank is thus limited to extending its pre-existing function of mitigating risks to [financial stability](#) rather than facilitating decarbonization through market-shaping governance of the financial sector.

More information: James Jackson et al, 'Facilitating the transition to net zero' and institutional change in the Bank of England: Perceptions of the environmental mandate and its policy implications within the British state, *The British Journal of Politics and International Relations* (2023).

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