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Article:

McDaniel, S. (Accepted: 2025) Mainstream parties and climate policy development: what role for intra-party politics? Environmental Politics. ISSN 0964-4016 (In Press)

<https://doi.org/10.1080/09644016.2025.2500179>

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Mainstream parties and climate policy development: what role for intra-party politics?

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Word count: 8,494

The authors report there are no competing interests to declare.

Mainstream parties and climate policy

development: what role for intra-party politics?

Abstract

Mainstream parties' adaptation to the climate agenda is generally understood in terms of their existing ideological profiles or inter-party competitive dynamics. We know much less about the role played by intra-party politics (IPP). In this article we develop a novel analytical schema for understanding IPP and its relationship to climate policy development in mainstream parties by exploring how internal tensions in the 'Ecological Modernisation' (EM) framework play out in the intra-party setting. Utilising the case of the UK Labour Party (2020-24), drawing on 28 elite interviews and documentary analysis, we demonstrate how power dynamics between competing factions, key ideas and previous political experiences shaped Labour's decision to drop its ambitious £28bn annual Climate Investment Pledge. The analysis has important implications for understanding how mainstream parties engage with the climate agenda and why their traditional governing ambitions (e.g. economic growth and stability) may come to trump climate policy goals.

Keywords: mainstream parties, intra-party politics, climate policy development, Ecological Modernisation, fiscal policy, economic ideas

Introduction

As the devastating effects of the climate crisis and environmental degradation become more tangible, climate policies have become increasingly debated and contested in the political mainstream by a range of political parties (see Farstad 2018). This is significant because, while the successful implementation of climate policy is subject to a range of factors that are outside of the immediate control of domestic policymakers, a voluminous literature reminds us that political parties and their individual ideological and policy preferences do very much 'matter' for climate action (Knill et al. 2010; Bäck et al. 2015; Leinaweaver and Thomson 2016; Ward

and Cao 2012; Carter 2013; Tobin 2017). While green parties have grown in influence in some countries (Grant and Tilley 2019), in others we are seeing mainstream non-green (often centre-left) parties in countries such as the USA, UK, Germany and Australia, placing climate action at the heart of their policy programmes, attempting to bind it up with historical governing ambitions concerning economic growth, jobs and competitiveness. This article is concerned with understanding how these mainstream parties integrate climate action into their pre-existing policy programmes.

The existing literature tends to understand this either in relation to parties' pre-existing ideological profiles (Birchall 2014; Bäck et al. 2015; Knill et al. 2010), or spatial and issue competition over 'green' issues (Abou-Chadi 2016; Carter and Little 2021; Schwörer 2024). These are undoubtedly highly important factors; however, there is a further critical yet under-researched factor to consider: the role of intra-party politics (IPP). As Ladrech and Little (2019: 1020) note, IPP is 'among the least-well understood factors that shape parties' climate policy preferences'. This article develops a novel analytical schema for studying the role of IPP in shaping a party's climate strategy, focusing on internal power dynamics, economic and environmental ideas and the effect of past policy stances and experiences in shaping climate policy development.

This IPP analysis is applied to a case study analysis of the UK Labour Party under Sir Keir Starmer, and in particular the decision in 2024 to U-turn on its 'Climate Investment Pledge' (CIP). Announced in September 2021, the CIP was an ambitious scheme to invest £28bn annually through the 2020s as part of its 'Green Prosperity Plan' (GPP) to fund the UK's transition to Net Zero. The flagship policy burnished

Labour's 'green' credentials and would have represented an unprecedented increase in climate-focused investment in the UK, but less than three years later it was officially 'stood down' by Starmer. To develop our account, we utilise a mixed-methods approach involving documentary analysis of public statements and information from interviews with political and policy elites connected to the party (see Methodology section). The UK represents an important case given that its status as an international climate leader has been degraded in recent years (Climate Change Committee 2023). Labour, too, is a valuable case for understanding mainstream party adaptation to the climate agenda as it, like many other mainstream (especially centre-left) parties, came to keenly embrace the 'Ecological Modernisation' (EM) perspective in the 1990s, wherein economic growth is seen as unproblematically compatible with environmental protection (Barry and Paterson 2003). We find that in the context of a changing macro-economic and political environment, shifting dynamics of internal power within Labour, which in turn brought about changes in the ideas and electoral strategies drawn on by influential party actors, reshaped the party's climate investment policy.

The study has important implications for the study of mainstream parties' adaptation to the climate agenda and why their traditional governing ambitions (e.g. economic growth and stability) may come to trump climate policy goals by illustrating the importance of how tensions inherent in EM frameworks play out within the intra-party setting. It also contributes to the literature on political parties and climate policy by developing a novel analytical schema for studying IPP which provides an alternative, additional perspective on party politics and climate policy development. This analytical schema can underpin future research and, as the conclusion explores, has potential to be further developed into a full IPP analytical framework.

The article begins by exploring the literature concerned with understanding parties' adaptation to the climate agenda and the importance of IPP. A second section sets out the IPP approach used herein to examine the case of Labour and provides more detail on the methodological approach taken. The case is then explored, before a final section concludes and points to the article's contributions to the literature.

Mainstream parties' adaptation to the climate agenda: an IPP approach

Understanding how mainstream parties have adapted their traditional programmes to accommodate the climate agenda has generally been done through one of two different lenses in the existing literature. The first perspective emphasises the way in which a party's climate and environmental positions map on to the traditional 'left-right' spectrum and are thus shaped by its broader ideological positions (Dalton 2009; Birchall 2014; Bäck et al. 2015; Knill et al. 2010; Farstad 2018). For instance, left wing parties are expected to call for stronger regulation on polluting businesses than their free-market right wing rivals, and so are more comfortable tying climate and environmental issues to a broader critique of capitalism. Equally, right wing parties might seek to undermine the consensus on Net Zero and dismantle climate policy targets because of their ideological disposition against interventionist states (see Paterson et al. 2023). The second approach views parties' behaviour as being determined by electoral and competitive dynamics. Dominant spatial models of party competition tend to follow a rationalist logic, wherein 'vote-seeking' or 'office-seeking' parties behave rationally and respond to voters in such a way as to try and maintain and expand their electoral support (Downs 1957; Hacker and Pierson 2014). From

this rational choice (RC) perspective, mainstream parties adjust their programmes according to pressure from, for example, 'niche' emergent green parties who 'own' the climate issue (Meguid 2005; Spoon et al. 2014; cf. Abou-Chadi 2016); inter-party pressure to 'out-green' other mainstream rivals where climate consensus exists (Carter and Jacobs 2014); or heightened public concern for the environment and the growth of green protest groups (Ladrech and Little 2019; Schwörer 2024).

Without doubt, mainstream parties' ideological profiles and inter-party competition shape their adaptation to the climate agenda. However, this is not a complete picture of the way in which party actors behave. Such accounts are often underpinned by contestable assumptions: they tend to view parties as unitary actors that respond rationally to changing events (e.g. the growing political salience of climate change) in line with either their pre-existing ideological disposition or changing voter preferences and inter-party competitive dynamics. Parties are not, however, unitary actors with a clearly defined set of ideological characteristics, but rather complex organisations made up of numerous factional groupings with their own interests and ideological perspectives to promote (Meyer 2013; Dalton and MacAllister 2015; Jacobs and Hindmoor 2022). If we want to comprehend how parties' climate policy positions are arrived at, we must treat them as organisations shaped by the constant internal battle between these competing groups, whose power and influence waxes and wanes over time (Dalton and McAllister 2015; Hooghe and Marks 2018).

While RC frameworks understandably seek to understand how party actors respond to changing voter preferences, these approaches tend to 'overplay the calculative at the expense of the cognitive' (Hampsher-Monk and Hindmoor 2010).

Party actors may often appear to act rationally given the information they have to hand – a policy that consistently polls poorly across a party’s target electoral constituencies is unlikely to remain policy for long, whoever is in charge, for instance. However, as the Constructivist Institutional (CI) scholarship (see Hay 2008) reminds us, there are many decisions taken within parties that are complex, contested and highly contingent. Party actors rely upon far from perfect information about voters, derived from their own experiences, as well as polling and focus group material, which often focuses attention on particular issues and/or voter types. This information must then be interpreted by those actors, filtered through their own understanding, experiences and worldviews, which shapes how they behave (Hay 2016; Widmaier 2003; Hampsher-Monk and Hindmoor 2010). In a similar fashion, while parties are often viewed within the RC literature as able to respond nimbly to events (e.g., Adams and Somer-Topcu 2009), Meyer’s (2013) study of policy change illustrates how the decisions of party leaders can be shaped by particular ‘path dependencies’ that have developed within these institutions. For example, policy might be heavily influenced by the prior positions adopted by the party, as the political ‘cost’ of changing stance is high or simply that changing policy entails uncertainty and so party actors adopt a ‘better the devil you know’ strategy (Dalton and McAllister 2015: 118-119, 779-80; Meyer 2013; Hooghe and Marks 2018).

This is not to suggest that material changes – e.g. a looming economic crisis or a rapidly changing electoral landscape – have no impact on party behaviour. Rather, our approach complements and adds nuance to existing accounts by illustrating the importance of examining how key influential actors come to experience, understand and act upon such events, and how their behaviour is contested and mediated within the intra-party setting. There is so far, however, a

very limited literature on the topic of IPP and the climate (except see Little 2017; Ladrech and Little 2019), despite the importance of IPP in other areas of policy development being well documented (Meyer 2013; McDaniel 2023). The studies that do provide insight into the role of IPP in shaping climate policy have been highly important in establishing its value as a site of study and advancing key insights; Little (2017) analyses the relationship between ‘office seeking’ dynamics and the role of climate ‘policy entrepreneurship’ in parties in Ireland, while Ladrech and Little (2019) explore how parties’ broader preferences and past policy positions come to shape internal party dynamics and preferences. We build upon these works by developing a new approach for analysing IPP that can be more readily applied to other cases to understand climate policy development.

In line with the analysis above, Figure 1 points us towards examining three features of IPP for examination: i) *internal power dynamics*, ii) the *ideas* held by key actors about the world around them, and iii) the way in which past *experiences* feeds into current behaviour. In doing so, this analytical schema encourages us to take a diachronic perspective, tracing through internal party developments over the medium to longer term to reflect on how these path dependencies emerge in relation to past experience, how ideas develop over time or come to remain influential and how factional power dynamics shift and what the confluence of these factors means for the party’s position on climate policy. In the next section, we explore why the concept of ‘Ecological Modernisation’ can serve as a valuable lens through which to conduct this analysis.

Fig. 1: IPP analytical schema

Aspect	Characteristic	Questions used to explore aspect
Internal power dynamics	Parties are made up of factional groupings of different actors with varying interests and ideological profiles.	Which actors and/or factional groups hold influence over key decisions and institutions within the party?
Ideas	Party actors' behaviour is shaped by their interpretation of information available to them, and their understanding of the world around them. The ideas and frames of reference of influential actors thus shapes a party's behaviour.	What economic, political and environmental ideas do these influential party actors hold that shape their approach to climate policy?
Past experiences	Party actors are influenced by previous experiences (both negative and positive) and past policy positions that might shape and constrain future policy development.	In what ways do these past experiences (positive and negative) shape the party's climate policy?

Ecological Modernisation up against the politics of fiscal rectitude

Since its development in the 1980s, EM has become 'the hegemonic paradigm that guided environmental policy worldwide' (Hovardas 2016). It has been fundamental in providing the intellectual justification for mainstream party actors seeking to incorporate environmental protection into their existing traditional policy programmes and, by extension, within the confines of the capitalist, liberal state (Hovardas 2016; Jackson 2023; Barry and Paterson 2003). The EM perspective, as Barry and Paterson (2003: 239-241) describe it, contends that economic competitiveness and growth 'are not incompatible' with environmental protection, climate action should work 'with the grain' of the market and that it may even be a source of future growth.

From an EM perspective, stimulating economic growth 'ought to remain the focus of state policy', albeit with more appropriate policies in place to account for negative externalities (Barry 2003: 197). It is a 'modernist and technocratic approach' which prescribes 'tech-institutional' fixes for ecological problems (Hajer 1995: 32). For political actors, the framework provided a riposte to early environmental critiques of industrial capitalism. It drew upon the work of modernisation theorists like Anthony Giddens (see Mol et al. 2014), influential in governing circles in Europe and North America the 1990s and 2000s, to contend that pro-growth, pro-capitalist policies could also be beneficial for the environment and vice-versa. The New Labour project in the UK in the 1990s and 2000s, which drew on Giddens' modernisation thesis (see Giddens 1998), is a key example of this. For New Labour, which embraced the broad contours of the neoliberal settlement (Hay 1999), EM provided intellectual justification for including environmental concerns within its governing programme, allowing it to contend that environmental protection would not disrupt its efforts to 'sustain continued economic growth and investment' (Barry and Paterson 2004: 241).

EM has, however, been subject to intense academic and policy debate and critique (see Barry 2003; Warner 2010; Hovardas 2016). It is not our intention here to rehearse this debate. Rather, what is of particular importance is a key contradiction at the heart of EM which shapes how political actors engage with it. While EM ostensibly contends that environmental-economic trade-offs need not exist if policy and market-based incentives are correctly calibrated, *in reality* EM places limits on what it views as the politically and economically 'possible'. From the EM perspective, a key part of the 'success' of any environmental policy is ensuring its 'economic feasibility', understood 'in terms of continued orthodox economic growth, profitability

and international competitiveness' (Barry and Paterson 2003: 241). This tension at the heart of EM is highly important as it represents a chink in the armour of an intellectual position that seemingly offers a 'win-win' approach to the economy and the environment. It reveals that, underpinning EM's modernist, technocratic worldview are a set of contestable conceptions of the likely growth impacts of certain policies and ideas about what constitutes 'economic feasibility'.

We can see this tension apparent in the policy programme of New Labour. While the New Labour government did pass the historic 2008 Climate Change Act (CCA), its broader political economy meant that it steered away from climate policies that might require significant funding, taxation or redistribution. In line with its embrace of the neoliberal settlement, to maintain growth and economic stability in the context of economic globalisation, fiscal 'responsibility' (read fiscal conservatism) was a cornerstone of its economic and electoral strategy. As Shadow Chancellor¹, New Labour's Gordon Brown famously adopted the concept of 'prudence' as one of the narratives used to help convince both markets and target middle class 'floating voters' in key marginal constituencies, who were more historically averse to tax-and-spend programmes, of Labour's readiness to govern (see Blair 1996). New Labour avoided climate action that it felt would imply (via raised taxes or inflation) 'lifestyle compromises that are perceived as unattractive to target, "middle England" Labour voters' or impose extra costs upon the business community that the party had courted so meticulously and provided only a 'tiny' budget for environmental action (Carter and Ockwell 2007: 13-14, 16).

¹ The office of the Chancellor of the Exchequer in the UK combines many of the responsibilities that are often divided up into separate 'Economy' and 'Finance' Ministries.

How politicians and policymakers manage environmental-economic trade-offs, and the decisions they make concerning the prioritisation of environmental protection vis-à-vis other governing priorities such as fiscal responsibility is, therefore, a contested and contingent process. It is for this reason that we explore the way in which the EM framework plays out within the intra-party setting in the case of Labour's CIP. The CIP was initially vaunted as being able to overcome the environmental-economic trade-off by inducing economic growth and working with the grain of the market in order to spur technological and industrial advancements (e.g. production of EVs, solar, batteries) that could undergird the transition to net zero. However, as we shall see in the sections that follow, shifting internal party politics saw the growth-enhancing dynamics of the CIP challenged intellectually and the policy itself squeezed out by other perceived political-electoral priorities.

Methodology

Methodologically we utilise an 'intrinsic' case study approach to establish an in-depth understanding of and fine-grained insights, necessary to understand and detail the internal workings of a political party, which are subject to complex causal relations and path dependencies that shape behaviour (Gerring 2007; Stake 2005). This methodological approach allows us to examine the claim central to this article, that IPP plays an important role in shaping climate policy development. In doing so, there are natural space limitations that determine what we can examine of this case.

Labour's institutional structure has changed significantly over the past several decades. While through much of the post-War period, its National Executive Committee (NEC) – made up of representatives from across the party's institutions including the leader's office, but also MPs, trade unions, and local councillors –

shaped policymaking, reforms since the mid-1980s have seen policymaking become *de facto* much more centralised around the party Leader, who is able to exert broad influence on the general direction of party policy (see Shaw 2002). For this reason, this article's case study focuses on the machinations of the party internally at the expense of broader party institutional links, such as with trade unions. It emphasises the role of key actors including the party Leader, Shadow Chancellor of the Exchequer, the Shadow Secretary of State of Climate Change and Net Zero and the key advisors and party strategists that surround them.

The case is developed using a mixed-methods approach involving documentary analysis of public statements made by party leaders and elite interviews. Data is taken from public statements (speeches and media interviews) made between 2020 and 2024 by the key party actors involved in developing the party's climate strategy (as outlined above), as well as advisors to those officials and party strategists. Public statements were chosen as they more closely reflect the changing position of the party and its leaders than if we solely analysed official published party material. This documentary analysis is supported by and triangulated with information from 28 semi-structured elite interviews (see Appendix A for a full list) with key Labour Party actors, including Shadow Cabinet members, MPs, advisors to the party, as well as external actors with strong links to the party and its policy development (e.g. think tanks). These interviews, carried out over several years since 2015, help to establish both a broader knowledge of the Labour's internal machinations and of how policy is developed within it that is critical to the article's conception of its IPP, as well as more specific knowledge of the party's climate policy development between 2020-24. Potential participants were purposively mapped to ascertain key actors who could speak to the party's internal

politics and strategic development over time, before a ‘snowball’ sampling method was employed wherein initial participants provided access to others with requisite knowledge.

The UK Labour Party, Ecological Modernisation and intra-party politics

Labour’s Climate Investment Pledge

The first question we might ask is, how did Labour come to adopt the £28bn CIP initially? First, there was an important internal power dynamic at play. Starmer’s campaign to become leader came about after the party’s defeat at the 2019 General Election under left-wing leader Jeremy Corbyn, who had pursued ambitious plans for a ‘Green Industrial Revolution’ (GIR), supported by a £250 billion ‘green transformation fund’ (Labour Party 2019). Though defeated, Corbyn’s policy platform remained hugely popular with the party’s newly enlarged membership, tens of thousands of whom had joined to support Corbyn’s leadership. Consequently, Starmer’s campaign to be elected Labour leader, which required the support of these members, saw him vow to build upon his predecessor’s policy platform and promote ‘unity’ between the party’s left and right wings, even if there was only weak commitment to these policies amongst his advisors (Eagleton 2022). Prioritising climate action became a central theme of Starmer’s campaign and early leadership as a way of both winning over the party’s left and so-called ‘soft left’, both at

membership level and within the party, who remained influential at this point, while moving on from the Corbyn-era 'GIR' policies.²

Second, the CIP's adoption in September 2021 fulfilled a rather practical purpose; through 2021, Starmer was struggling to define his leadership and stand out from the incumbent Conservative government³, which under Prime Minister Boris Johnson had 'gone big on rhetoric around green industrial policy'.⁴ The CIP was initially developed and promoted from within the office of Ed Miliband, the Shadow Secretary of State for Climate Change and Net Zero, and was influenced by analysis from a think tank close to Miliband which suggested in a 2020 report that £33bn investment per year was required 'to put the UK on the path to net zero by 2050' (IPPR 2020).⁵ Starmer and his Shadow Chancellor, Rachel Reeves, were seen to 'rely' on Miliband heavily at this point in time given his experience in the last Labour government as energy secretary, where he helped usher in the 2008 Climate Change Act. The CIP could, Starmer and Reeves thought, help 'fill gaps' in the party's programme⁶ and give the party something ambitious to promote at its annual conference in 2021, where it was announced by Reeves⁷, as they attempted to 'outbid' Johnson's Conservatives.⁸

Third, the policy had broad intellectual appeal across the party given the macroeconomic and political situation in 2020-21. Even though, as we shall see, Starmer and the team around him began a shift towards the right of the party earlier

² Interview with advisor to Labour Party (B), June 2024; also reflected in Interview with Labour MP (C), July 2024.

³ Interview with Labour MP (C), July 2024.

⁴ Interview with advisor to Labour Party (A), July 2023.

⁵ Interview with advisor to Labour Party (B), June 2024.

⁶ Interview with Labour MP (C), July 2024.

⁷ Interview with advisor to Labour Party (B), June 2024.

⁸ Interview with advisor to Labour Party (A), July 2023.

in 2021, the policy was deemed acceptable by the Leader, Shadow Chancellor and their close advisers at this point because, in EM terms, it could be presented as a ‘pro-growth’ policy (rather than just a ‘climate’ policy) that figures on the right of the party would be more comfortable with; this was particularly the case as the CIP did not imply tax increases, only large-scale borrowing facilitated by the ultra-low interest rates available at the time.⁹ Influenced by the USA’s 2022 Inflation Reduction Act (IRA), which pledged nearly \$400bn worth of green investment, the CIP was justified by leading party actors such as Starmer and Reeves on green Keynesian grounds as ‘hav[ing] a positive impact on the wider economy’ through inducing growth (Parkinson 2021) and ‘crowding in’ private ‘green’ capital (Starmer 2022; Reeves 2022). It was thus presented by Starmer and Reeves as compatible with the party’s fiscal rules, to reduce debt over the parliament and ‘only borrow to invest to meet the challenges of the future’, which, as Starmer (2022) noted, is ‘what our Climate Investment Pledge is all about’. Added to this was an electoral approach; the CIP was viewed as central to a more interventionist, ‘productivist’ economic agenda that could help the party rebuild its cross-class coalition of working-class voters in deindustrialised communities, as Joe Biden was seen to do in the USA in 2020 (see Ainsley 2023).

Yet despite this, after months of speculation, in February 2024 Starmer U-turned on this stance and officially ‘stood down’ the £28bn annual CIP, introducing instead a much more restrained green investment programme worth c.£4.75bn per year (Starmer 2024; Labour 2024). Why did this happen?

⁹ *Ibid.*

Explaining the party's climate investment U-turn

The party's stated reasoning for its U-turn is clear: the worsening economic conditions in the intervening years and subsequent rising cost of government borrowing. As Shadow Chancellor Reeves noted, the CIP was originally conceived at a time of historically low interest rates (c.0.7%), but rates rose to around 4.5% in mid-2023, exceeding pre-2008 levels for the first time since the crash (Reeves in Hattenstone 2023). Labour under Starmer and Reeves consistently promoted the importance of its fiscal rules to balance the current budget and get debt falling by the end of the parliament. The change in policy, Starmer argued, simply reflected the fact that given interest rates 'are now very, very high ... We've always said we have to be within the fiscal rules and fiscal rules come first' (cited in Stacey and Harvey 2024).

Brexit, COVID-19, Russia's invasion of Ukraine, as well as the ill-fated Liz Truss-Kwasi Kwarteng 'mini budget' in September 2022 that caused market turmoil in the UK clearly hardened macroeconomic conditions and made public investment in the Net Zero transition more challenging as inflation and interest rates rose. That said, throughout this period the debate over the nature of the UK's fiscal space remained live (Jung 2023; OBR 2023). It is not our intention here to get into an economic debate concerning the ongoing fiscal capacity of the British state to deliver more ambitious green investment. Rather, we highlight this dispute because it is itself illustrative of the fact that, in EM terms, alternative conceptions of the growth potential of green investment, and thus the nature of environmental-economic trade-offs, existed in and around Labour at this time. This is important because, as one Labour MP suggests, while there is 'logic' to the claim that a changing macroeconomic regime rendered the CIP unviable, you cannot 'decouple' the U-turn

from ‘a wider shift within the party’ during this period.¹⁰ Below we explore this using the IPP analytical schema.

Changing internal power dynamics. While during his campaign to be leader in late 2019 and early 2020, and the early part of his leadership from April 2020, Starmer was required to appeal to the left and soft left of the parliamentary party and party membership, these conditions quickly changed. Before the CIP was even announced, tremors within the party were indicative of cracks yet to emerge. After a disappointing local election result in May 2021, Starmer’s position as Leader was challenged and he increasingly began to ‘fall back on factional support’ from elements of the party’s ‘traditional right’ to consolidate his position. This mobilised an ideological and programmatic shift towards the centre-ground of British politics for Labour that emerged over the following three years.¹¹ This factional grouping gradually re-established its dominance over all parts of the party as an institution, including: the party’s National Executive Committee (NEC), the Leader’s office and his chief advisors, the Shadow Chancellor’s office, as well as the Shadow Cabinet and opposition front bench. Left and soft left Shadow Cabinet members were demoted, and successive reshuffles over two years saw Starmer build, by autumn 2023, a Shadow Cabinet and wider leadership team within the party widely acknowledged as dominated by figures from the party’s right factions (Crerar 2023), seen as associated with – or having had experience in – the New Labour administrations and being highly critical of the party’s move left under Corbyn (Wearmouth 2022).

¹⁰ Interview with Labour MP (C), July 2024.

¹¹ *Ibid.*

Consequently, there were important shifts in party strategy as ‘previous big hitters from the Blair government’ regained influence in the party, serving as a sounding board for Starmer and occupying key strategic positions, such as National Campaign Coordinator (NCC) and Director of Campaigns (DoC), wherein they promoted a much more cautious political approach, with reluctance to ‘commit to big, bold ideas’¹² (see also Mason and Crerar 2023; New Statesman 2023; Maguire et al. 2023). Such actors helped to advocate for, as one Labour MP put it, a ‘shift in the terms of the general political disposition’ of the party, with a much narrower strategic focus on winning over undecided and swing voters in key marginal seats.¹³ This had the effect of promoting a set of alternative economic ideas and electoral strategies that put Labour’s CIP under the spotlight. The growing influence of the party’s right on Starmer’s front bench in parliament saw briefings to the press emerge that shadow ministers wanted the £28bn pledge ‘spiked’ (Pogrund 2023), while multiple interviewees recalled that several senior shadow ministers and their staff put pressure on the leadership to either simultaneously accommodate other departments’ spending priorities (e.g. on healthcare) or scrap the £28bn pledge altogether.¹⁴

A shifting ideational landscape in the party. A changing of the guard in Starmer’s Labour brought with it a shift in perspective on economic matters. While a more benign macroeconomic environment initially rendered the CIP more palatable across the party’s political spectrum, this changed as inflation and interest rates rose in the following years. The argument that the UK both *could* and *should* (indeed, *must* – for

¹² Interview with advisor to Labour Party (B), June 2024; also reflected in interview with advisor to Labour Party (A), July 2023.

¹³ Interview with Labour MP (C), July 2024.

¹⁴ Interview with advisor to Labour Party (B), June 2024; Interview with think tank representative (C), July 2023.

economic and environmental reasons) invest at unprecedented levels to support the green transition remained popular on the party's soft left, and continued to be supported by think tanks close to Miliband (see Jung 2023). The fiscally expansionary 'green Keynesianism' that underpinned the CIP initially, advanced by Miliband's office, was however increasingly challenged by influential shadow cabinet members and key advisors on the party's right whose hand had been strengthened by these changing circumstances.

The idea of 'fiscal responsibility' has long been seen by members of the party's right as the critical element in establishing the party's reputation as a serious party of government (Sloman 2021; 2023). While Labour's broader productivist 'securonomics' agenda clearly moved the party beyond the New Labour-era Third Way doctrine by embracing structural reform and industrial strategy, its programme also 'echoes New Labour's fiscal and macroeconomic caution' (Sloman 2023: 12). This is in line with a broader new Keynesian framework, predominant in social democratic parties over the past three decades, that views fiscal policy as generally inflationary (thus open to negative market reaction) (see Bremer and McDaniel 2020). While, for instance, Reeves had consistently touted the need for 'fiscal responsibility' throughout this period, the strength of arguments that Labour should scrap its high spending commitments grew much louder within the party as influential advisors and strategists, including those in the Shadow Chancellor's office, expressed 'genuine anxiety about the UK's capacity for borrowing in the context of inflation and higher interest rates'.¹⁵ The CIP was increasingly viewed by the shadow Treasury as liable to contribute to a problematic level of government debt, which

¹⁵ Interview with advisor to Labour Party (A), July 2023.

would be politically unpopular and could act as a drag on growth. As a result, fiscal hawks in the shadow Treasury team put pressure on the party to move away from big 'green' spending pledges.¹⁶

Through 2023, as the influence of advisors and influential figures from the party's right on Starmer's leadership grew, there was a visible shift in perspective communicated officially and through 'leaks' from Starmer's office. Briefings to the press from Starmer's team became both increasingly dismissive of the utility of the investment ("given the deadweight costs, which could be spent elsewhere") and matter of fact about the party's prioritisation of fiscal responsibility over climate action ("If it's a choice between the green prosperity plan and the fiscal rules, the fiscal rules would trump the former") (Pickard and Parker 2023). Starmer himself made clear that he was prioritising fiscal stability over climate investment: 'If we are to turn things around, then economic stability must come first. That will mean making tough choices and having iron-clad fiscal rules' (Starmer 2023). If we consider this in EM terms, this was an important intellectual shift amongst the key actors leading the party; rather than over-coming the economy-environment trade off through ambitious investment that could simultaneously boost growth and decarbonise the economy, the CIP's implications for the level of public debt were increasingly viewed as economically problematic by the shadow Treasury team, the Leader's office and those shaping the party's campaigning strategies. Fiscal conservatism was *prioritised* as a building block for economic growth which in theory, once achieved, could enable greater climate action.

¹⁶ Interview with think tank representative (C), July 2023; interview with advisor to Labour Party (B), June 2024.

Drawing on past electoral experience. Following spikes in inflation and rising interest rates, the cost of climate action has been increasingly challenged in frontline British politics, sparking the growth of ‘anti-Net Zero populism’ in Westminster (Paterson et al. 2023). The governing Conservative Party began attacks on the cost of Labour’s plans, with party chair, Greg Hands, arguing that Labour planned ‘to stick £28bn of borrowing on the government credit card which will lead to higher inflation and higher interest rates’ (cited in Mason and Allegretti 2023), drawing on longstanding successful Conservative attacks on Labour’s supposed profligacy (Sloman 2023).

In this context, the electoral strategy of the party under Starmer began to evolve with the legacy and experience of New Labour being drawn upon by the party leadership in important ways. As one Labour advisor put it, ‘many of Starmer’s Shadow Cabinet members and advisors ‘sat out’ the Corbyn years entirely’ and, instead, ‘continue to be deeply shaped by their experience of defeat under Miliband, deferential towards the electoral successes of Blair and Brown’, and ‘uninterested’ in any potential positive lessons to be gleaned from the 2017 election.¹⁷ This saw New Labour’s focus on fiscal ‘prudence’ come to be associated with the party’s electoral success, positioned in contrast to two prior episodes of failure in the party’s recent history: the 1992 and 2019 General Elections. Specifically, party leaders wanted to guard against ‘complacency’¹⁸ in their campaigning that was seen to undermine Neil Kinnock’s campaign in 1992 and, perhaps most concretely, avoid the accusations of fiscal irresponsibility that were directed towards the Corbyn-led party in 2019 (Reeves in Hattenstone 2023).

¹⁷ Interview with advisor to Labour Party (A), July 2023.

¹⁸ *Ibid.*

This clearly had an effect on the party's strategic management. As one interviewee put it, the 'entire culture of the party is built around an analysis of what went wrong in those [the 2017 and 2019] elections [under Corbyn] and how to remedy it'. The focus being on 'brand weaknesses they have identified', particularly voter concerns that "Labour always spends money, Labour will put up taxes".¹⁹ A Labour MP described the fear amongst leading party strategists that a bolder environmental strategy would 'might push up against' their electoral strategy to win over swing voters in tight marginal seats.²⁰ Consequently, for some time before the macroeconomic environment worsened the CIP was a target for Starmer's key advisers, such as the party's DoC who wanted to avoid Conservative claims the party would be reckless with the public finances (Maguire et al. 2023). Multiple interviewees highlighted the DoC's scepticism towards Labour's green agenda; while not ideologically opposed to it, the DoC was keen to shift away from the CIP and towards a more fiscally conservative approach in order to respond to perceived voter concerns over Labour's tax-and-spend plans.²¹ Similarly, Labour's NCC, a strong advocate of the party's message on fiscal discipline (New Statesman 2023), was seen as highly cynical of the CIP and wider GPP.²² The electoral approach of the DoC and NCC was all about 'de-risking the Labour brand' vis-à-vis its spending commitments.²³

This position might understandably be read as a rational response to genuine electoral pressures. However, it is important to also situate this within the broader debate within the party on the popularity of Net Zero policies. An ambitious green

¹⁹ Interview with think tank representative (C), July 2023.

²⁰ Interview with Labour MP (C), July 2024.

²¹ Referenced by multiple interviewees.

²² Referenced by multiple interviewees.

²³ Interview with advisor to Labour Party (A), July 2023.

investment-led policy platform was still supported by its members and the party's soft left elements, yet the key actors influencing the party's direction of travel from 2023 including the DoC and NCC, remained sceptical of 'any body of evidence that says voters see climate as more than a fringe preoccupation' and that believed voters would generally become more negative towards such policies when they realise how 'it affects them personally'.²⁴ They were not convinced that the party could make, in EM terms, a 'win-win' argument for green investment as an answer to the growth challenge and the transition to net zero; given the CIP's potential implications for public debt, they were much more comfortable with cost neutral supply-side reform to achieve green goals than investment-led policy packages.²⁵

Rather than strictly relying upon available polling data concerning how much voters were willing to prioritise Net Zero and climate-related investment policies, chief Labour campaign strategists prioritised caution. They drew upon their experiences of previously successful electoral strategies of the party under Blair and Brown to guide them. Just as New Labour focused on targeting particular swing voters ('Mondeo man') in 1997, Starmer's team used focus group and survey data, developed in part by Labour Together, a think tank with links to the party's right, to home in on socially conservative voters that had lost faith with Labour previously, but who had been negatively impacted by recent interest rate rises and are looking for economic stability (dubbed 'middle-aged mortgage man') (Stacey 2022). Party strategists even directly invoked New Labour-era advice from Philip Gould to avoid raising taxes to fund the transition, which they worry could concern potential Conservative-to-Labour switchers (Lambert 2023). Starmer and Reeves' advisors

²⁴ *Ibid.*

²⁵ Interview with think tank representative (C), July 2023.

and key party strategists such as the DoC and NCC adopted a ‘safety first’ approach which prioritised the politics of fiscal rectitude over ambitious climate investment.

Conclusion

The above analysis has demonstrated the importance of IPP in shaping climate policy development. It is true of course that, between 2020 and 2024, economic conditions worsened as inflation and interest rates rose, and the political-electoral landscape around net zero in the UK (as elsewhere) hardened as a result. However, the case presented here illustrates how these broad economic and political-electoral shifts were filtered through the intra-party setting, wherein changing dynamics of internal power saw alternative sets of economic ideas and political and electoral strategies, antithetical to a big spending ‘green’ investment plan, increasingly put centre stage by the Labour leadership team. These ideas, it should be noted, were not hegemonic within the party setting, nor were they necessarily driven by incontestable supporting evidence; debate concerning the CIP’s value as a policy remained live within the party throughout the period. Rather, they ultimately reflected the instinctual reflexes, and intellectual predisposition of one set of actors to prioritise the politics of fiscal rectitude – for both economic and political-electoral reasons – which found itself in the ascendancy within the party in the period studied.

This analysis demonstrates how, in materially constrained times, contradictions within the EM frameworks adopted by mainstream parties come to the fore and are filtered through intra-party dynamics, delimiting the space for climate policy vis-à-vis a party’s traditional governing ambitions (e.g. economic growth and stability). Scholars must build upon this work and continue to explore the contingent political battles within mainstream parties that surround contested notions of the

politically and economically 'possible' and environmental-economic trade-offs, for these will be central to shaping future climate strategies and policies.

By providing an alternative to approaches that focus on ideological mapping and inter-party competitive dynamics, this article makes a significant intervention into the literature through establishing the need to appreciate IPP as a key dynamic shaping mainstream parties' adaptation to the climate agenda. It contributes a novel analytical schema for studying IPP underpinned by CI. Though in this article we have prioritized analysis of internal power dynamics, influential ideas and the effects of past experiences in shaping political and electoral strategies, this schema should be built upon by integrating other important factors to develop a fully-fledged 'IPP analytical framework' which could underpin ongoing research on mainstream party adaption to the climate agenda. The 'institutional' elements of our CI approach, for instance, could be further fleshed out by exploring the influence of institutions such as trade unions, lobby groups or even membership of the European Union on intra-party dynamics. Equally, our focus on ideas in this paper could be expanded to consider different 'levels' of ideas (whether 'programmatic' or 'normative' in nature, for example) (Schmidt 2008) and how these differently shape the behaviour of party leaders.

This research agenda will be increasingly important given the political climate around Net Zero looks set to become more fractious in many Western countries, including with the rise anti-Net Zero populism (Paterson et al. 2023) and the re-election of the climate change sceptic Donald Trump as US President. This foretells many more difficult trade-offs faced by mainstream political parties, both in opposition and in government. Indeed, particularly given the Labour Party's elevation to power following the UK's 2024 General Election, understanding how these trade-

offs are managed at the micro-level of IPP can, as this article has shown, be critical to understanding longer-term climate policy in government.

Acknowledgements

The author wishes to thank Emma-Louise Anderson, Richard Hayton, Scott Lavery and participants at the 2024 PSA conference where this paper was presented, as well as the three anonymous reviews, for their invaluable feedback.

Appendix A: list of interviews

Ethical approval was established prior to research taking place through the ethics committees of the author's universities. All interviewees were provided with information about the project and informed consent was provided for the use of the material herein.

1. Economic advisor to Labour Party (A)
2. Economic advisor to Labour Party (B)
3. Political advisor to Labour Party (A)
4. Labour Party MP (A)
5. Labour Party MP (B)
6. Labour Party MP (C)
7. Economic advisor to Labour Party (C)
8. Labour Party MP (D)
9. Policy advisor to Labour Party (A)
10. Policy advisor to Labour Party (B)
11. Political advisor to Labour Party (B)
12. Labour Party peer
13. Think tank representative (A)
14. Political advisor to Labour Party (C)
15. Political advisor to Labour Party (D)
16. Independent policy analyst
17. Think tank representative (B)
18. Economic advisor to Labour Party (D)
19. Economic advisor to Labour Party (E)
20. Economic advisor to Labour Party (F)
21. Strategy & Comms Advisor to Labour Party
22. Environment advisor to Labour Party
23. Political advisor to Labour Party (E)
24. Think tank representative (C)
25. Advisor to Labour Party (A)
26. Environmental policy campaigner
27. Advisor to Labour Party (B)
28. Labour Party MP (E)

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