



FORUM

The politics of ‘green’ finance as knowledge contestations

Matthias Taeger^{1,2} , Annika Stenström³ , Torben Trapp⁴ , Felicia Liu⁵  and Philipp Golka⁶ 

¹Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science, London, UK, ²Warwick Business School, University of Warwick, Coventry, UK, ³Copenhagen Business School, Copenhagen, Denmark, ⁴Edinburgh Business School, University of Edinburgh, Edinburgh, UK, ⁵University of York, York, UK and ⁶Max-Planck-Institute for the Study of Societies, Cologne, Germany

Corresponding author: Matthias Taeger; Email: m.c.tager@lse.ac.uk

Abstract

This essay argues for an integrative move in the investigation of the politics of ‘green’ finance. We suggest that approaching the politics of ‘green’ finance in the form of knowledge contestations can bring out complementarities and bridge divides between different levels of analysis and theoretical traditions. Our focus is motivated by the pivotal role of knowledge and ignorance in the organisation and governance of financial markets identified in economic sociology, political economy, and neighbouring disciplines. Drawing on this scholarship, we consider knowledge both a *forum for* and a *means of* politics. We then illustrate how this conceptualisation provides insights into the politics of ‘green’ finance on different levels of analysis and following different theoretical traditions: in the context of tracing elites in their dissemination of specific ideas shaping governance regimes; when following market devices which produce partial calculative representations of the world; in problematising how financial organisations both produce and accept certain types of knowledge to further their interests; and when examining the role of ideology and imaginative capture in stabilising financial capitalism during climate crisis. We conclude by identifying the connective tissue between these different analytical and theoretical approaches made visible by the integrative concept of politics as knowledge contestations.

Keywords: climate change; elites; green finance; ideology; knowledge; market devices

Introduction

Whether encountered in the form of individual practices or in its systemic manifestation, green finance is a contested and contestable phenomenon that demands an analysis of its politics. Since green finance is perpetually in the making, struggles over which kinds of interests, values, and rules govern it – and, by extension, which are advanced through it – remain at least partially unsettled. Given the opportunities this emergent nature of green finance offers for research, problematisation, and possibly intervention, we propose an analytical access point to the politics of green finance that, we argue, can form the basis for an integration of research agendas and findings across disciplines and levels of analysis: understanding the politics of green finance through the lens of knowledge contestations.

Knowledge – and its twin ignorance (McGoey, 2012; Mallard and McGoey, 2018) – has been conceptualised as political in two ways: (i) as contested terrain, i.e. a forum for politics, and (ii) as a conduit for the realisation of interests and values, i.e. a means of politics. This conceptualisation has been developed into a wide array of theories and schools of thought across sociologically inspired disciplines. Despite this theoretical variety and differing epistemologies and ontological assumptions, these literatures largely align with a conceptualisation of knowledge not simply as an interpretation of but as a force on the world. Whether we understand knowledge as technique of societal governance, as individually internalised norms and patterns of behaviour, or whether we conceptualise it as performative potentiality for the enactment of specific ontologies (Bourdieu, 1990; Foucault, 2003; Law and Singleton, 2013), different theoretical approaches seem to agree on its complicity in the realisation of specific versions of societal and hence socio-ecological relations. This role of knowledge can be subservient to the material interests of specific actors, operating as an instrumental means of politics. However, by also functioning as a forum for politics, knowledge can circumscribe the realm of rational material interests by structuring meaning and defining the very rationalities that actors follow.

Knowledge is particularly contentious as a governance mechanism within finance. How (financial) knowledge is produced is integral to market making (MacKenzie and Millo, 2003) and shaping global financial governance (Blyth, 2013; Helgadóttir and Ban, 2021). As such, knowledge in finance is complicit in drawing up roadmaps and epistemic boundaries for how issues are treated (Knorr-Cetina and Bruegger, 2002; Millo, Spence, and Valentine, 2023). This can have distributional effects (James and Quaglia, 2020). As MacKenzie has shown (2011, 2005), ‘black-boxing’ of knowledge production by financial market participants played an important role in magnifying the impacts of the Global Finance Crisis. Following the rapid expansion of the financial sector, we have witnessed intensified entanglement of global finance and society (Chiapello, 2020; van der Zwan, 2014; Gabor, 2021), where financial actors and institutions have become a ‘fourth power’ of governance (Vogl, 2015: 40). As such, the authority of financial knowledge not only shapes the governance of financial markets but has been adopted into other spheres, such as politics and our everyday lives (Aitken, 2007; Langley, 2020). The increasing participation of financial actors and institutions in knowledge production can lead to ‘intellectual capture’ (Seabrooke and Tsingou, 2021), where those who control how knowledge is produced have the right to interpret.

Finance plays an increasingly important role in societal, economic, and – more recently – sustainability governance by linking financial knowledge to climate politics. The epistemic authority of finance can be traced through the construction of carbon markets and green finance instruments ((MacKenzie, 2009; Liu and Lai, 2021), the commodification of nature (Clapp and Helleiner, 2012), the materialisation of climate risk for investors (Christophers, 2017; Folkers, 2024). For instance, in the context of disclosure regulation, the Task Force on Climate-related Financial Disclosures (TCFD) has translated climate-related concerns through a financial risk frame into regional and national policies (Taeger, 2022). We argue that an emphasis on the contestation over green finance knowledge can contribute to uncovering the relationship between finance and the natural world (Samman et al., 2022). This can help us understand processes of market-making (how does green finance work?) and what interests green finance empowers (who wins and who loses?). Ultimately, it can enable us to answer questions related to how green finance can deliver on its environmental promise or whether it is merely an illusion that upholds the idea of capitalism as a solution to the climate crisis (Christophers, 2024; Buller, 2022).

In this context, we understand ‘green finance’ to be a loosely integrated and relatively weakly institutionalised field of practice, i.e. an ecology where various actors jostle for legitimacy and influence (see e.g., Liu and Lai, 2021; Seabrooke and Stenström, 2023),

variously manifesting under labels such as green finance, sustainable investing, or ESG. As such, green finance is constituted by various actors and sociomaterial relations involved in translating the entanglement of finance and natural systems into accessible and actionable – or, in other words, meaningful – knowledge. The specificities of this translation in the context of green finance calls for a renewed focus on knowledge, as flagged in the introduction to this Forum. While the production of meaningful knowledge has been largely co-opted by (financial) economics and econometrics, the role of (environmental) sciences and associated actors, devices, norms, and values in green finance renders the lens of knowledge contestations particularly useful.

However, seeking to better understand the politics of green finance knowledge poses conceptual questions of how to demarcate knowledge, its contestations, and productive effects. Knowledge is ubiquitous. As such, knowledge escapes the analytical categories of micro, meso, and macro, for instance. In this essay, we propose an alternative access point to analysing the knowledge politics of green finance by focusing on elites, devices, organisations, and ideologies respectively. While a focus on elites illuminates the selection and translation of knowledge as ideas for private and public governance by highly connected individuals, attention to devices foregrounds knowledge as technology imprinted with the epistemic preferences of their designers and moulded by the needs of their users. Following this, financial organisations can in turn illuminate their struggles to align knowledge with their material interests by engaging in both the construction and the endorsement of particular knowledge claims. Lastly, we suggest that understanding knowledge as ideology stresses exclusionary ideational structurations which naturalises some understandings of finance-climate relations while rendering others unthinkable. Although they might differ in their diagnosis of green finance, we stress that a shared attention to green finance's knowledge contestations both as a forum for and as means of politics is a helpful common conceptual vantage point across all four analytical perspectives: elites, devices, financial organisations, and ideologies.

Hence, our essay seeks to illustrate how knowledge and its contestation as a forum for and means of politics can function as a moment of analytical integration across disciplines and levels of analysis.

Elites and knowledge contestations

Using elites as an analytical vantage point to explore green finance's knowledge politics invites us to consider knowledge in two forms. First and foremost, knowledge about green finance manifests in interpretations of existing states and ideas about ideal states of finance-nature relations. For instance, disclosure standardisation might be heralded as a solution to an existing market failure where financial actors are insufficiently informed to value nature (and the impact economic activities are imposing on nature) fairly and accurately. More generally, during elite interactions, knowledge might manifest in habitus and routines. Claims to epistemic authority might be tied to tradition, cultural capital, and symbolic credentials (Bourdieu and Passeron, 1990). While the former form of knowledge more closely corresponds with the concept of knowledge as forum for politics where ideas about finance-nature relations might become contested, the latter resembles the concept of knowledge as means of politics, where (tacit) knowledge regarding, for example, rules of appropriateness is deployed to further specific interests.

Focusing on elites, however, does not only draw attention to these different manifestations of knowledge, it also importantly highlights the significance of this particular actor group in sculpting the politics of green finance. Transversing the spheres of the state and the market, elites are in a unique position to translate knowledge, since they are – by definition – highly connected. As Tsingou (2015) has shown, financial

governance in particular is characterised by transnationally active networks of such individuals impressing their ideas of appropriate policies onto the global financial market architecture. In the context of the finance-climate nexus, the enrolment of central banks into endeavours of bringing climate-related concerns into financial markets supervision in the form of climate risk has been shown to be heavily facilitated by connections between bureaucratic, private sector, and other state elites (Quorning, 2023; Siderius, 2022; Taeger, 2022). Thus, the exclusivity and privilege characterising such modes of translation shape green finance's knowledge contestations – or rather their absence thereof.

This elite-based form of governing the finance-climate nexus is not limited to the West. In East Asian economies – often perceived as 'lagging behind' in sustainable finance uptake (Stampe and McCorran, 2015: 11) – individuals linked to international finance and/or sustainability networks who are also embedded within national policy-making circles play a crucial role in promoting sustainable finance.

In Singapore, 'sustainability champions' from core state-building institutions such as the Stock Exchange, government-linked banks, and government-linked corporations spearheaded voluntary sustainability reporting in the early 2010s. Their efforts led to Singapore being the first bourse in the region to adopt mandatory reporting, by enhancing visibility of reporting and securing buy-in from key regulators, such as the Monetary Authority of Singapore. Guided by sensitivities as to what is considered 'international best practices', Singapore adopted a principle-based reporting approach, requiring firms to disclose 'material' sustainability issues rather than following prescriptive criteria. While elite leadership aligns Singapore's practice with international norms (Liu, Demeritt, and Tang, 2019), it contrasts with the more rule-based approach to financial regulation traditionally adopted in Singapore, representing an isomorphic mimicry of Western 'nudge' strategies rather than an adaptation of sustainability practices to Asian market realities (Liu et al., 2019). In turn, this can undermine the effectiveness of reporting in driving meaningful corporate transformation, particularly in this context where environmental authoritarianism prevails (Han, 2017)

It is worth noting that, despite this 'elite capture' of implementing sustainability concepts and regulations, the principles of transparency, accountability, and scrutiny that underpin sustainability reporting contrast with Singapore's traditionally closed-door, elite-driven governance system (Barr, 2014). The introduction of sustainable finance practices by these elites may have broader implications for the long-term stability of Singapore's governance model.

Devices and knowledge contestations

Much like the vantage point of elites, approaching green finance through the lens of devices implies encountering its knowledge contestations locally (Latour, 2005; Venturini, 2010). Unlike the elite perspective, however, the lens of devices shifts attention from exclusively social to sociomaterial networks, highlighting the non-human entities co-constituting relations within them. This sociomaterial perspective emphasises the materialisation of knowledge within the form of documents or devices, and foregrounds how knowledge claims acquire authority by attaching themselves to existing interests or sociomaterial configurations (Callon, Mollo, and Muniesa, 2008; Latour, Woolgar, and Salk, 1986).

Especially once foundational contestations – such as those between a rules- and a principles-based reporting regime mentioned above – have been settled, knowledge relies to a lesser extent on humans to travel or to become effective. Instead, it increasingly starts to materialise in the form of devices, such as metrics, taxonomies, models, or mathematical equations, which are deployed locally in organisational routines. Unlike

humans, such devices can be in multiple localities at once, thereby extending the reach of the calculative agency that works through them (Callon et al., 2008; Latour, 1987). Following the distinction set out in the introduction of this Forum contribution, devices participate in politics in two ways: as a forum for politics (e.g., when the categorisation of nuclear energy as sustainable in the EU taxonomy became contested) and as a means of politics, or – more precisely – as active components partaking in the furthering of interests, such as when financial service providers or NGOs struggle for authority over the assessment of the so-called climate alignment of investment portfolios by attaching their assessments to mathematical formulas and academic publications. Thus, scholars encountering green finance locally need to be sensitive both to the interests and values inscribed in devices by their designers and to the local effects – such as shifts in attention and valuation – that these devices help bring about.

Devices are ubiquitous within green finance and are integral to its governance and legitimacy. The present state of financial products such as bonds is being assessed with regards to their environmental impacts and subsequently categorised, for example, as light, medium, or dark green by S&P Global Ratings. The politics of such sustainability ratings becomes visible in their effects on company practices (Clementino and Perkins, 2021) and their adherence to commercial imperatives such as client demand (Eccles, Lee, and Stroehle, 2020), underscoring their role as means of politics. The past of environmental impacts is likewise only made knowable through devices such as repositories of corporate GHG emissions data. Here, commercial interests push data providers to increasingly rely on models to offer comprehensive coverage of their clients' investment universes (Kob and Dittrich, 2024), raising questions regarding the possibly perverse incentive structures such modelling may create (Hoepner and Rogelj, 2021). Furthermore, the very framework underpinning the measurement of such emissions data is inscribed with the logics of financial accounting developed for corporate entities, and as such offers opportunities for corporations to evade accountability for emissions (Walenta, 2021), pointing to the nature of emissions data as a forum for politics. Lastly, the future of companies', portfolios', and markets' relations with the natural environment is made legible by 'instruments of imagination' (Beckert, 2016). Implied Temperature Rise scores, for instance, assess the future climate impacts of investments, while Climate Value at Risk assessments gauge the potential effects of climate policy and extreme weather events on shareholder value. Such forward-looking metrics are typically underpinned by climate scenarios, i.e. visions of specific climate futures. Within finance, central bankers have become the dominant provider of these climate scenarios through their efforts to conduct climate scenario analysis – often misleadingly termed 'climate stress tests' (Langley and Morris, 2020). The politics of their development jointly with academic actors – leading to, for example, a Global North centrism and the systematic underestimation of physical risks (Taeger, 2022) – as well as the politics of their potential (counter-) performative effects largely remain under-researched.

As these examples demonstrate, the reliance of green finance on data, metrics, and models makes devices a fruitful – if not essential – analytical perspective to explore and understand green finance knowledge as a forum for and means of politics. While the ANT-inspired literature in the Social Studies of Finance may sit somewhat uncomfortably with the labelling of devices as a means of politics – since this implies an understanding of knowledge and technologies as mere tools whose effects depend on human wielders – this literature is nonetheless fundamentally aligned with the spirit of this label: devices can indeed both advance the interests of human actors and participate in the imposition of their value orders. A device perspective can therefore also nuance functional conceptualisations of knowledge more broadly and usefully complicate our understanding of agency as not exclusively attached to human actors.

Financial organisations as makers or takers of climate knowledge?

For financial organisations, the climate crisis poses a conflict between material interests and social norms: the search for profit often collides with the costs of decarbonisation, yet climate inaction may lead to legitimacy costs. Financial actors attempt to escape this dilemma by producing climate-related knowledge and practices that safeguard both their material interests and social positions. Understanding these strategies allows scholars to address two important aspects: how financial knowledge links to climate change, and how it is related to – often insufficient – climate mitigation. However, in the context of a growing anti-ESG backlash, how financial actors respond to wider social and political conflict over climate-related knowledge is equally important. Financial organisations are thus not only knowledge-makers but also knowledge-takers as climate-related knowledge becomes contested terrain.

How does such a conceptualization inform our understanding of the link between financial markets and climate change? Let us first consider that financial organisations face a conflict between cultural expectations regarding climate impact and their material interests. Financial actors often try to escape this predicament through epistemic work that tries to align climate-related knowledge with their material interests. This way, the production of climate-related knowledge is transformed into a means of politics, by expanding or weakening boundaries of ‘green’ finance. A key goal of such knowledge work is to influence regulation that governs financial markets to align more closely with financial actors’ material interests (Seabrooke and Tsingou, 2021; James and Quaglia, 2024). This is particularly the case for the regulation of ‘sustainable’ investing, where financial actors have engaged in significant epistemic work to position themselves as knowledgeable experts on the topic at the expense of civil society actors (Tischer and Ferrando, 2024; Seabrooke and Stenström, 2023; van der Zwan and van der Heide, 2024).

Epistemic contestation also takes place *within* the financial sector. In the case of European ESG disclosures, institutional investors fought for keeping the standards focused on process rather than impact (Seabrooke and Stenström, 2023). Having an impact-approach would have required more tangible and costly metrics that would pose a threat to funds labelled as ‘broad ESG’ that make up the overwhelming majority of the \$40 trillion ESG market (Bloomberg Intelligence, 2024; Fichtner et al., 2023). Large asset managers and index providers thus have an interest in expanding boundaries over what counts as ‘green’ that smaller, specialized investors do not necessarily share. However, this does not mean that these smaller funds – such as impact investors – seek to establish firm boundaries between what does and does not count as green, for example through binding standards or third-party evaluations. To the contrary, impact investors have been found to engage in boundary erosion by establishing a regime of ‘epistemic gerrymandering’ that allowed them to apply idiosyncratic understandings of ‘impact’ without a loss of legitimacy (Golka, 2024).

Financial actors’ epistemic work also acts as a means of politics by positioning private finance as an effective way to foster climate mitigation. The success of this knowledge work is epitomised in the United Nations’ Sustainable Development Goals that explicitly call for a mobilisation of private finance – rather than an expansion of public investment – as a key policy goal (Gabor, 2021; Golka, Murau, and Thie, 2024). Financial organisations have thereby succeeded in positioning private finance as an obligatory passage point for governments seeking to achieve climate mitigation (Chiapello, 2020). To maintain this position, financial actors engage in considerable epistemic work to measure and explain ostensible ‘investment gaps’ and to position themselves as potential solutions. They also argue that closing the investment gap requires considerable ‘derisking’ by the state (Gabor, 2023). Such derisking, the financial sector claims, would mobilise unprecedented amounts of financial resources to flow towards the green transition. This has the important epistemic effect of rendering stringent regulation of green finance unnecessary as the

financial ‘greening’ is presented to occur automatically, if only governments would give sufficient subsidies.

Using financial organisations as an analytical starting point invites us not only to think of knowledge as a means of politics, but also as a contested forum for politics. Consider the growing right-wing backlash against climate change. This is not only a conflict over substantive issues of climate change but a struggle over epistemic authority, that is, a jostle over whether or not the financial sector should be allowed to develop and impose climate-related rules on its portfolio companies. As described by Florida governor Ron DeSantis, financial actors pushing companies towards improving their ESG score ‘represents the imposition of a policy through extraconstitutional means.’ (Hilson, 2024).

How do financial actors respond to such challenges of their epistemic authority? One might think that financial actors would perceive this as a threat to their professional jurisdiction (Abbott, 1988) and fee income from ‘green’ products and thus resist these pressures. One example is how financial actors’ like BlackRock – whose CEO has repeatedly argued that ‘climate risk is investment risk’ (BlackRock, 2020) – respond to the current anti-ESG climate in the US. In November 2024, several Republican states sued BlackRock, Vanguard, and State Street over their ESG investment policies, claiming that they wrongfully pressure oil companies to decarbonise. Their response was to exploit the ambiguity over green financial knowledge: they argued that they act in accordance with shareholder interests (Reuters, 2024), even though, in practice, they rarely support environmental shareholder resolutions (Baines and Hager, 2022; Golland et al., 2022). It thus appears that financial actors’ success in turning climate-related knowledge into an opportunity has led them to defend their epistemic authority against right-wing attacks.

The open question remains whether the re-election of Donald Trump has fundamentally altered financial actors’ calculus, as the costs of resisting the ESG-backlash may have increased while the opportunities gained from defending ESG may have waned. Part of answering this question involves studying whether financial organisations differ in their responses to the anti-green backlash. The first months after the re-election of Donald Trump gave the impression that financial actors’ resistance against anti-climate (knowledge) politics was short-lived. During this period, BlackRock exited the Net Zero Asset Managers, prompting the climate initiative to pause its operations indefinitely, and the Federal Reserve pulled out of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). However, this was not just a Trump effect, but the culmination of a longer development of climate retrenchment, as other asset managers had already left climate-finance initiatives over the previous years.

The contestation of financial actors’ epistemic authority may also create new cleavages between financial organisations defending it and those giving in to external pressures. For example, as the Big Three asset managers scaled back their climate commitments, they also faced pushback from asset owners such as New York’s pension funds who threatened to terminate mandates with asset managers with insufficient climate policies (Financial Times, 2025). Using financial organisations as an analytical starting point allows us to consider that contestations over climate knowledge in financial markets are both multi-dimensional as well as non-linear. Investigating them in more detail matters, because whether or not financial actors call for more or less stringent climate action could influence the course of the green transition.

Stabilising capitalism through imaginative displacement

Knowledge contestations do not only occur on the level of relatively contained knowledge claims but also on the level of ideology, i.e. of systems of thought and belief which serve as epistemic scaffolding for sense-making. Eagleton describes how ‘[s]uccessful ideologies are often thought to render their beliefs natural and self-evident (...) so that nobody could

imagine how they might ever be different' (2024: 58). Thus, a ruling ideology rather than engaging in a battle for ideas 'thrust them beyond the very bounds of the thinkable' (Eagleton, 2024: 58). In doing so, ideologies are effectively enclosures of the forum of politics in the sense that they keep certain positions out of the narrowed realm of knowledge contestations. Importantly, in this case, green finance contributes to the crowding out of arguably better-suited ideologies to address climate change (e.g., Hickel, 2020).

One example of this would be the aforementioned ESG backlash. Not only does it contest the epistemic authority of financial institutions, but it redefines and narrows the spectrum of acceptable ideas that are considered appropriate to even discuss within the forum for politics. By framing green finance – an approach well within the limits of the ruling capitalist ideology – as fringe and radical, actual systemic challenges fall even further off the spectrum of what is considered to be 'debatable' within the political sphere. Or, in the words of Noam Chomsky (1998: 43): '[t]he smart way to keep people passive and obedient is to strictly limit the spectrum of acceptable opinion, but allow very lively debate within that spectrum'. The solidification of the ruling capitalist ideology is thus achieved by further narrowing the already enclosed forum for politics.

In general, positioning finance – a core pillar of the contemporary capitalist ideology – as a potential cure for the urgent and wide-ranging problems created in large parts by this capitalist system (e.g., Buller, 2022) has a variety of significant implications for knowledge politics. Most notably, due to the enclosure of the forum of politics, green finance functions as a means of imaginative displacement: it not only crowds out debates on alternative macro-economic systems but naturalises capitalism as the omnipotent system that has all the answers to all of our problems (Graeber, 2011). If a core pillar of capitalism was in fact able to address the problems caused by capitalism itself, why would there ever be a need for a different system? Thus, the suppression of imaginative possibilities for systemic change is one of the core functions of green finance. In doing so, green finance ushers in what Mark Fisher (2014) described as 'capitalist realism', or what we call an enclosure of the forum for politics. In Fisher's words, that is 'the widespread sense that not only is capitalism the only viable political and economic system, but also that it is now impossible even to *imagine* a coherent alternative to it' (2, emphasis added).

This enclosure of the forum for politics is amplified by the material interests of various industry actors within finance. Banks and asset managers, for example, need to protect their significant fossil fuel exposure by minimising regulatory risks (Braun, 2022). The risk of government intervention was arguably most salient between 2020 and the Russian invasion of Ukraine, when both the US and EU signalled their commitment to addressing climate change. Consequently, banks and asset managers needed to (at least performatively) show their willingness to voluntarily address environmental degradation – e.g., through pushes for voluntary environmental risk disclosures in focal firms, the mass creation of ESG funds, or the setting up of NZAM and NZBA – thereby highlighting their commitment to the climate cause without requiring government intervention. This strategy helped ensure that finance remained as depoliticised a space as possible, which also minimised the short-term risks to their fossil fuel assets. Thus, the short- to medium-term material interests of important field actors have contributed to the enclosure of the forum for politics, as well as the use of green finance as a means of politics in order to pre-empt regulatory intervention. In doing so, green finance contributes to the solidification of financialized capitalism as the hegemonic ideology.

If we strip away the ways green finance reinforces capitalist realism, it seems rather surprising that Western governments have embraced the notion that finance – an industry that has significantly contributed to the ongoing climate crisis (e.g., Niranjana, 2023; Semieniuk et al., 2022) – is now positioned to lead efforts in resolving it (Gabor, 2021). This is especially perplexing considering that (a) finance continues to operate within an

economic system that has been only marginally reformed from the one that fostered neo-colonialism, extractivism, and environmental catastrophe, and (b) the financial sector has been increasing, rather than decreasing, its exposure to fossil fuel assets (Banking on Climate Chaos, 2025; Hickel, 2020). But, as an agent of capitalist realism, green finance has contributed to the reproduction of a 'pervasive atmosphere' that acts as a 'kind of invisible barrier constraining thought and action' (Fisher, 2014: 16). Thus, despite the largely devastating record of capitalism when it comes to addressing societal challenges (e.g., Hickel, 2017, 2020), incrementalist solutions that dominate the realm of green finance seem to be enough to neutralise any contestations of the capitalist system itself. As David Graeber put it: 'the war against the imagination is the only one the capitalists have actually managed to win' (2011: 113) – and green finance has played an important part in that.

This fortification of the forum for politics can take at least two different forms. First, green finance can *occupy* time and space, drawing attention to its own interpretations of the problem and the financialised solutions it proposes. Second, it can *guard* the relations and territories it dominates against potential competitors.

The former move of *occupying* time and space is illustrated by the so-called Finance Day at COP26 in Glasgow. After the ceremonial opening of the climate conference and two days of high-level announcements by policymakers, a series of thematic days structured the programme. Finance not only occupied a full day of this eight-day schedule, but in fact occupied the very first one, prior to topics such as Youth and Public Empowerment or Gender. It opened with the launch of the Glasgow Financial Alliance for Net Zero (GFANZ), a – now disintegrating – voluntary financial sector initiative which promised to align the \$130 trillion represented by its members with net-zero goals. Thus, the financial sector successfully used (up) the unique spotlight and global attention by policymakers and the public alike to present their answer to the question of how to fund climate-related investments: through voluntary self-organisation of the financial sector.

The latter move of *guarding* becomes visible when tracing the framing of fiduciary interests through the investment chain. In principle, a significant portion of global capital is ultimately owned by the general (Global North) population via pension or insurance funds, rendering popular sustainability interests a potential force in guiding capital allocation. In practice, however, the general population is far removed from investment decisions, and their interests are commonly assumed to align with those of an imaginary *homo oeconomicus*, with singular, solely pecuniary value preferences, similar to the stylised imagined user of financial statements (Young, 2006). On the rare occasions when members of the general public are brought closer to actual investment decisions, for example, as trustees in pension funds, they are typically advised by professional consultants whose recommendations frame environmental concerns according to financial logics of profit maximisation and modern portfolio theory, which trustees tend to follow (Cooper and Millo, 2025). Thus, green finance crowds out alternative formulations of interests and values according to which capital could be allocated by guarding its existing practices from transformation.

To illustrate the consequences of a fortified forum of politics, we have argued that the reinforcement of capitalist realism through green finance inherently leads to a de-politicisation of the debate on how to address climate change. This, in turn, de-contests knowledge claims about where change originates, situating responsibility at the individual rather than societal level, which is in line with a market-conform conceptualisation of agency. Powerful financial institutions benefit from this shift toward individual responsibility as it neutralises systemic threads that might otherwise fundamentally challenge their business models.

What these effects of the enclosure of the forum of knowledge politics suggest is that, while ideologies are not necessarily a means deployed strategically and consciously by a distinct set of actors, they nonetheless systematically further particular sets of interests

and value systems. Hence, knowledge as ideology should also be understood as a means of the politics of capitalist reproduction and fortification, precisely by virtue of not being a forum for any politics. The very absence of contention renders it a powerful means of knowledge politics.

Conclusion

Our contribution to this forum proposes understanding and researching the politics of green finance as knowledge contestations. It demonstrates how this conceptualisation allows us to weave together four diverse perspectives on green finance under the common thread of knowledge as both a means and a forum of political struggle: elites, devices, financial organisations, and ideologies. These four vantage points are not only particularly fruitful for illuminating the politics of green finance, they also represent a diversity of analytical approaches which are often separated by the boundaries of academic disciplines and levels of analysis.

We argue that knowledge and its contestation can contribute to crossing these boundaries. By focussing on shared interests in knowledge contestations, scholars of ideologies and those studying devices can trace how depoliticising or crowding-out moves are being achieved in technoscientific capitalism by imprinting certain worldviews onto the calculative infrastructure of green finance. Political economists and management scholars with a focus on organisations can enhance their investigations of the knowledge-based entrenchment of interests by considering how ideologies, dynamics of elite interactions, and the agency of devices might interfere in both the construction of and the reaction to contested knowledge claims. Similarly, sociologists of elites can engage with scholars interested in ideology to better understand the mutual constitution of ideas, (tacit) knowledge on appropriateness, and worldviews. Finally, a shared focus on knowledge contestations can connect inquiries into elite dynamics with those on the adoption of devices, especially as financial elites and their clubs may function as obligatory passage points, potentially inducing novel logics (e.g., around appropriateness) into the negotiation of translation.

In sum, all perspectives introduced in this forum contribution offer conceptual frameworks and concrete starting points for a collective social scientific inquiry into the politics of green finance, bound together by the connective tissue of knowledge contestations as a shared object of research. What is more, they all converge in diagnosing how knowledge contesting the suitability of finance to address the escalating climate and ecological crisis is currently being silenced or sidelined – that is, crowded out. Across the analytical vantage points, the knowledge politics of green finance thus appears to reproduce capitalist conditions.

References

- Abbott, A. (1988) *The System of Professions: An Essay on the Division of Expert Labor*. Chicago, IL: University of Chicago Press.
- Aitken, R. (2007) *Performing Capital Toward a Cultural Economy of Popular and Global Finance*. New York: Palgrave Macmillan.
- Baines, J., and Hager, S.B. (2022) From passive owners to planet savers? Asset managers, carbon majors and the limits of sustainable. *Competition and Change*, 27(3–4): 449–471.
- Banking on Climate Chaos (BOCC) (2025) Banking on climate chaos report. <https://reclaimfinance.org/site/en/2025/06/17/banking-on-climate-chaos-report-2025/>. Accessed 25 September 2025.
- Barr, M.D. (2014) *The Ruling Elite of Singapore*. London: Bloomsbury.
- Beckert, J. (2016) *Imagined Futures: Fictional Expectations and Capitalist Dynamics*. Cambridge, MA: Harvard University Press.

- BlackRock (2020) A fundamental reshaping of finance: Larry Fink's 2020 letter to CEOs. <https://www.blackrock.com/corporate/investor-relations/2020-larry-fink-ceo-letter>. Accessed 29 October 2025.
- Bloomberg Intelligence (2024) Global ESG assets predicted to hit \$40 trillion by 2030 despite challenging environment. Bloomberg, 8 February. <https://www.bloomberg.com/company/press/global-esg-assets-predicted-to-hit-40-trillion-by-2030-despite-challenging-environment-forecasts-bloomberg-intelligence/>. Accessed 25 September 2025.
- Blyth, M. (2013) *Austerity: The History of a Dangerous Idea*. Oxford: Oxford University Press.
- Bourdieu, P. (1990) *The Logic of Practice*. Cambridge: Polity.
- Bourdieu, P., and Passeron, J.-C. (1990) *Reproduction in Education, Society and Culture*. London: SAGE.
- Braun, B. (2022) Exit, control, and politics: Structural power and corporate governance under asset manager capitalism. *Politics and Society*, 50(4): 630–654.
- Buller, A. (2022) *The Value of a Whale: On the Illusions of Green Capitalism*. Manchester: Manchester University Press.
- Callon, M., Millo, Y., and Muniesa, F. (eds.) (2008) *Market Devices*. Malden, MA: Blackwell.
- Chiappello, E. (2020) Financialization as a socio-technical process. In: Mader, P., Mertens, D., and van der Zwan, N. (eds.) *The Routledge International Handbook of Financialization*. Abingdon: Routledge, 81–91.
- Chomsky, N. (1998) *The Common Good*. Tucson, AZ: Odonian Press.
- Christophers, B. (2015) Value models: Finance, risk, and political economy. *Finance and Society*, 1(2): 1–22.
- Christophers, B. (2017) Climate change and financial instability: Risk disclosure and the problematics of neoliberal governance. *Annals of the American Association of Geographers*, 107(5): 1108–1127.
- Christophers, B. (2024) *The Price Is Wrong: Why Capitalism Won't Save the Planet*. London: Verso Books.
- Clapp, J., and Helleiner, E. (2012) Troubled futures? The global food crisis and the politics of agricultural derivatives regulation. *Review of International Political Economy*, 19(2): 181–207.
- Clementino, E., and Perkins, R. (2021) How do companies respond to Environmental, Social and Governance (ESG) ratings? Evidence from Italy. *Journal of Business Ethics*, 171: 379–397.
- Cooper, S., and Millo, Y. (2025) Catalytic governance: Responsibilizing pension funds for climate change. *Academy of Management Proceedings*, 2025(1): 22268.
- Eagleton, T. (2024) *Ideology: An Introduction*. London: Verso.
- Eccles, R.G., Lee, L.-E., and Stroehle, J.C. (2020) The social origins of ESG: An analysis of Innovest and KLD. *Organization and Environment*, 33(4): 575–596.
- Fichtner, J., Jaspert, R., and Petry, J. (2023) Mind the ESG capital allocation gap: The role of index providers, standard-setting, and 'green' indices for the creation of sustainability impact. *Regulation & Governance*, 18(2): 479–498.
- Financial Times (2025) New York pension funds put asset managers on notice over climate plans. 22 April. <https://www.ft.com/content/4c825d84-5486-47b4-9d59-86f7e8af34ae>. Accessed 25 September 2025.
- Fisher, M. (2014) *Capitalist Realism: Is There No Alternative?* Alresford: John Hunt Publishing.
- Folkers, A. (2024) Calculative futures between climate and finance: A tragedy of multiple horizons. *The Sociological Review*, 73(5): 1104–1121.
- Folkers, A. (2024) Risking carbon capital: Reporting infrastructures and the making of financial climate risks. *Economy and Society*, 53(1): 112–134.
- Foucault, M. (2003) *Society Must be Defended: Lectures at the Collège de France, 1975–76*. Translated by D. Macey. New York: Picador.
- Gabor, D. (2021) The Wall Street consensus. *Development and Change*, 52(3): 429–459.
- Gabor, D. (2023) The (European) derisking state. *Stato e Mercato*, 43(1): 53–84.
- Golka, P. (2024) Epistemic gerrymandering: ESG, impact investing, and the financial governance of sustainability. *Review of International Political Economy*, 31(6): 1894–1918.
- Golka, P., Murau, S., and Thie, J.E. (2024) Towards a public sustainable finance paradigm for the green transition. *Finance and Society*, 10(1): 38–50.
- Golland, A., Galaz, V., Engstrom, G., and Fichtner, J. (2022) Proxy voting for the earth system: Institutional shareholder governance of global tipping elements. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4067103. Accessed 25 September 2025.
- Graeber, D. (2011) *Revolutions in Reverse*. London: Minor Compositions.
- Han, H. (2017) Singapore, a garden city: Authoritarian environmentalism in a developmental state. *The Journal of Environment and Development*, 26(1): 3–24.
- Hayek, F.A. (2001) *The Road to Serfdom*. Abingdon: Routledge.
- Helgadóttir, O., and Ban, C. (2021) Managing macroeconomic neoliberalism: Capital and the resilience of the rational expectations assumption since the Great Recession. *New Political Economy*, 26(5): 869–884.
- Hickel, J. (2017) *The Divide: A Brief Guide to Global Inequality and Its Solutions*. London: Random House.
- Hickel, J. (2020) *Less Is More: How Degrowth Will Save the World*. London: Random House.
- Hilson, C. (2024) Climate change and the politicization of ESG in the US. *Frontiers in Political Science*, 6: 1332399.

- Hoepner, A.G.F., and Rogelj, J. (2021) Emissions estimations should embed a precautionary principle. *Nature Climate Change*, 11(8): 638–640.
- James, S., and Quaglia, L. (2020) *The UK and Multi-Level Financial Regulation: From Post-Crisis Reform to Brexit*. Oxford: Oxford University Press.
- James, S., and Quaglia, L. (2024) Emergent regime complexity and epistemic barriers in ‘bigtech’ finance. *New Political Economy*, 29(6): 872–885.
- Knorr-Cetina, K., and Bruegger, U. (2002) Global microstructures: The virtual societies of financial markets. *American Journal of Sociology*, 107(4): 905–950.
- Kob, J., and Dittrich, K. (2024) Carbonising financial assets: Between commodification and assetization of carbon relations. Working paper. https://warwick.ac.uk/fac/soc/wbs/research/ikon/research/climate-finance/publications-and-working-papers/kob_dittrich_2024_carbonising_financial_assets_wcfr_working_paper.pdf. Accessed 28 October 2025.
- Langley, P. (2020) The financialization of life. In: Mader, P., Mertens, D., and van der Zwan, N. (eds.) *The Routledge International Handbook of Financialization*. Abingdon: Routledge, 68–78.
- Langley, P., and Morris, J.H. (2020) Central banks: Climate governors of last resort? *Environment and Planning A*, 52(8): 1471–1479.
- Latour, B. (1987) *Science in Action: How to Follow Scientists and Engineers through Society*. Cambridge, MA: Harvard University Press.
- Latour, B. (2005) *Reassembling the Social: An Introduction to Actor-Network-Theory*. Oxford: Oxford University Press.
- Latour, B., Woolgar, S., and Salk, J. (1986) *Laboratory Life: The Construction of Scientific Facts*. Princeton, NJ: Princeton University Press.
- Law, J., and Singleton, V. (2013) ANT and politics: Working in and on the world. *Qualitative Sociology*, 36(4): 485–502.
- Liu, F.H., and Lai, K.P. (2021) Ecologies of green finance: Green sukuk and development of green Islamic finance in Malaysia. *Environment and Planning A: Economy and Space*, 53(8): 1896–1914.
- Liu, F.H.M., Demeritt, D., and Tang, S. (2019) Accounting for sustainability in Asia: Stock market regulation and reporting in Hong Kong and Singapore. *Economic Geography*, 95(4): 362–384.
- MacKenzie, D. (2005) Opening the black boxes of global finance. *Review of International Political Economy*, 12(4): 555–576.
- MacKenzie, D. (2009) Making things the same: Gases, emission rights and the politics of carbon markets. *Accounting, Organizations and Society*, 34(3–4): 440–455.
- MacKenzie, D. (2011) The credit crisis as a problem in the sociology of knowledge. *American Journal of Sociology*, 116(6): 1778–1841.
- MacKenzie, D., and Millo, Y. (2003) Constructing a market, performing theory: The historical sociology of a financial derivatives exchange. *American Journal of Sociology*, 109(1): 107–145.
- Mallard, G., and McGoey, L. (2018) Strategic ignorance and global governance: An ecumenical approach to epistemologies of global power. *The British Journal of Sociology*, 69(4): 884–909.
- McGoey, L. (2012) Strategic unknowns: Towards a sociology of ignorance. *Economy and Society*, 41(1): 1–16.
- Millo, Y., Spence, C., and Valentine, J.J. (2023) Active fund managers and the rise of passive investing: Epistemic opportunism in financial markets. *Economy and Society*, 52(2): 227–249.
- Niranjan, A. (2023) Banks pumped more than \$150bn in to companies running ‘carbon bomb’ projects in 2022. The Guardian, 31 October. <https://www.theguardian.com/environment/2023/oct/31/banks-pumped-more-than-150bn-in-to-companies-running-carbon-bomb-projects-in-2022>. Accessed 25 September 2025.
- Quorning, S. (2023) The ‘climate shift’ in central banks: How field arbitrageurs paved the way for climate stress testing. *Review of International Political Economy*, 31(1): 1–23.
- Reuters (2024) The anti-ESG movement in the US: Texas lawsuit against Big Three and ESG policies. Reuters, 27 November. <https://www.reuters.com/legal/blackrock-state-street-vanguard-sued-by-republican-states-over-climate-accords-2024-11-27/>. Accessed 25 September 2025.
- Samman, A., Boy, N., Coombs, N., Hager, S., Hayes, A., Rosamond, E., Wansleben, L., and Westermeier, C. (2022) After the boom: Finance and society studies in the 2020s and beyond. *Finance and Society*, 8(2): 93–109.
- Seabrooke, L., and Stenström, A. (2023) Professional ecologies in European sustainable finance. *Governance*, 36(4): 1271–1292.
- Seabrooke, L., and Tsingou, E. (2021) Revolving doors in international financial governance. *Global Networks*, 21(2): 294–319.
- Semieniuk, G., Holden, P.B., Mercure, J.F., Salas, P., Pollitt, H., Jobson, K., Vercoulen, P., Chewpreecha, U., Edwards, N.R., and Viñuales, J.E. (2022) Stranded fossil-fuel assets translate to major losses for investors in advanced economies. *Nature Climate Change*, 12(6): 532–538.
- Siderius, K. (2022) An unexpected climate activist: Central banks and the politics of the climate-neutral economy. *Journal of European Public Policy*, 30(1): 1–21.

- Stampe, J., and McCarron, B. (2015) *Sustainable finance in Singapore, Indonesia and Malaysia: A review of financiers' ESG practices, disclosure standards and regulations*. Gland, Switzerland: WWF.
- Taeger, M. (2022) Constructing climate risk: How finance governs its relationship with the planet's climate. PhD thesis. London School of Economics and Political Science (LSE). https://etheses.lse.ac.uk/4456/1/Taeger_Constructing-climate-risk-finance.pdf. Accessed 25 September 2025.
- Tischer, D., and Ferrando, T. (2024) Shaping the climate transition: Multistakeholder networks, elites, and sustainable finance policy in Europe. *Finance and Society*, 10(2): 113–136.
- Tsingou, E. (2015) Club governance and the making of global financial rules. *Review of International Political Economy*, 22(2): 225–256.
- Van der Zwan, N. (2014) Making sense of financialization. *Socio-Economic Review*, 12(1): 99–129.
- Van der Zwan, N., and van der Heide, A. (2024) Investors as members in transnational sustainable finance initiatives: Collectors, mediators and performers. *Competition & Change*. <https://doi.org/10.1177/10245294241242258>.
- Venturini, T. (2010) Diving in magma: How to explore controversies with actor-network theory. *Public Understanding of Science*, 19(3): 258–273.
- Vogl, J. (2015) The end of an illusion. *Finance and Society*, 1(2): 38–41.
- Von Mises, L. (1998) *Human Action: A Treatise on Economics*. Auburn, AL: Ludwig von Mises Institute.
- Walenta, J. (2021) The making of the corporate carbon footprint: The politics behind emission scoping. *Journal of Cultural Economy*, 14(5): 533–548.
- Young, J.J. (2006) Making up users. *Accounting, Organizations and Society*, 31(6): 579–600.