

Who is saving the European Union? Old and new players in the Banking Union project

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Abstract

The vicious circle between banking institutions and sovereign states contributed to transform the financial crisis of 2007-2008 into a government-debt one with severe repercussions on the economy and politics of the European Union. In order to break this dangerous link, a proposal to construct a Banking Union, initially aimed at the countries of the Eurozone, has been presented in mid-2012. Originally devised under four prongs – regulatory, supervisory, resolution and deposit guarantee –, most of the Banking Union has been agreed upon over the last two years, with negotiations ended as late as April 2014.

Notwithstanding this impressive result in terms of timing, and the clear importance attached to this process, no contribution to date have tried to investigate the likely effects of such a framework on the institutional balance among the various regulators and decision-making bodies involved, whether at national level or European one. By drawing on an extent number of interviews with officers and stakeholders and a careful analysis of the new legal provisions, this thesis aims at analysing the various constituent parts of the Banking Union, by focusing on the institutions involved in its functioning and by trying to highlight the presence of issues capable of affecting its future operations.

The study of the various facets of the question let us conclude on the existence of a complex framework which encompasses a certain number of unclear relationships, the actual regime of which still has to face the test of real operations. Moreover, far from being only a technical topic linked to the health of the financial sector, the Banking Union appears as a proxy to understand the Union at large, through the usual lenses of democratic accountability, communitarianism vs. intergovernmentalism or European Union vs. Eurozone. To the title question about who is saving the European Union, the only possible answer to date is one which fully acknowledges the results obtained, by calling for further research and lapsing of time to verify all the implications proposed in this work.

