In June 2012, Banking Union was proposed by euro area heads of state and government as an institutional mechanism to resolve the sovereign debt crisis. Progress on the construction of Banking Union has been rapid with the establishment of the Single Supervisory Mechanism in November 2014. The ECB has been assigned the power to supervise the euro area’s largest (approximately 130) banks. Banking Union also involves the creation of the Single Resolution Mechanism, with the gradual centralisation of approximately 50 billion euros worth of resolution funds; and a fiscal backstop, with the possible earmarking of European Stability Mechanism funds to support banks. Banking Union also involves the application of the EU single rule book on banking regulation, recent legislation on recovery and resolution, and a degree of harmonisation of national banking supervisory practices. Euro area member states have yet to agree upon the fourth main element of Banking Union — a European Deposit Insurance Scheme — largely due to German government opposition.

This Public Round Table involves the participation of both ‘practioners’ from the public and private spheres and academics. The event provides an opportunity to examine critically where we are today in the construction of Banking Union. The event also marks the recent publication of Professor Howarth’s book (with Professor Lucia Quaglia), The Political Economy of European Banking Union with Oxford University Press.

3 October from 6 p.m to 9 p.m (followed by a reception)

Location
University of Luxembourg
Salle Tavenas
102 avenue Pasteur
L-2310 Luxembourg
http://wwwen.uni.lu/media/files/plan_salle_tavenas_pdf

Language
English

Registration
- free on charge
- required on Evenbrite
https://www.eventbrite.fr/e/banking-union-quo-vadis-registration-27747957889

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Key note speakers

**Yves Mersch** was the first governor of Central Bank of Luxembourg and served as a member of the ECB Governing Council from its creation in 1998 to 2012. Since December 2012, Mr. Mersch has been one of six members of the ECB’s Executive Board.

**Professor Jean-Victor Louis** is one of the world’s leading experts on EU financial and monetary law and the author of dozens of books, articles and chapters on these topics.

Panelists

Vincent Thurmes, Luxembourg Ministry of Finance
Gilles Pierre, Luxembourg Bankers’ Association (ABBL)
Professor Michele Chang, College of Europe (Bruges)
Professor Joachim Schild, University of Trier
Professor Aneta Spendzharova, University of Maastricht

The Political Economy of European Banking Union


This book—one of the first monographs published on the topic of Banking Union—is informed by two main empirical questions. Why was Banking Union—presented by proponents as a crucial move to ‘complete’ Economic and Monetary Union (EMU)—proposed only in 2012, over twenty years after the adoption of the Maastricht Treaty? Why has a certain design for Banking Union been agreed and some elements of this design prioritized over others? A two-step explanation is articulated in this study. First, we explain why euro area member states moved to consider Banking Union by building on the concept of the ‘financial trilemma’, and by examining the implications of the single currency for euro area member state banking systems. Second, our study explains the design of Banking Union by examining the preferences of member states on the core components of Banking Union. These preferences are explained through a comparative political economy analysis focused on the configuration of national banking systems and varying national concerns for the moral hazard facing banks and sovereigns created by euro level support mechanisms.
