Robert Schuman Centre

Universal Banks and the European Banking System: Prospects and Problems

ELISABETH PAULET

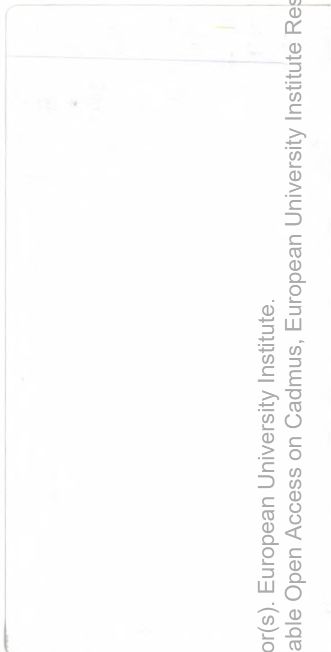
RSC No. 96/54

EUI WORKING PAPERS

EUROPEAN UNIVERSITY INSTITUTE

1
2094
R

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.



© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

EUI Working Paper RSC No. 96/54

Paulet: *Universal Banks and the European Banking System: Prospects and Problems*

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

The Robert Schuman Centre was set up by the High Council of the EUI in 1993 to carry out disciplinary and interdisciplinary research in the areas of European integration and public policy in Europe. While developing its own research projects, the Centre works in close relation with the four departments of the Institute and supports the specialized working groups organized by the researchers.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

EUROPEAN UNIVERSITY INSTITUTE, FLORENCE

ROBERT SCHUMAN CENTRE

Universal Banks and the European Banking System:

Prospects and Problems

ELISABETH PAULET

EUI Working Paper **RSC** No. 96/54

BADIA FIESOLANA, SAN DOMENICO (FI)

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

All rights reserved.
No part of this paper may be reproduced in any form
without permission of the author.

© Elisabeth Paulet
Printed in Italy in October 1996
European University Institute
Badia Fiesolana
I – 50016 San Domenico (FI)
Italy

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Abstract

Changes that derive from financial liberalisation in a competitive environment constitute one of the major points of discussion in the debate on European Integration. The aim of this paper is to establish a topology of the existing banking systems in order to discuss the position of universal banks.

The first section presents the similarities and differences between European countries and describes how evolution towards a unified banking system will be possible. Section 2 gives an overview of the arguments in favour of universal banks. Section 3 critically evaluates these arguments. In particular the predominance of universal banks over any other form of institution is tested. The last section concludes by considering the future position of universal banks. One option could be a more adequate equilibrium between banking institutions in order to preserve the potential advantages of universal banks without being completely exposed to the disadvantages.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

Introduction

Changes that derive from financial liberalisation in a competitive environment constitute one of the major points of discussion in the debate on European Integration. The European financial area offers several freedoms: freedom of establishment, freedom of capital circulation and freedom of provision of financial services. In this context what will European banking look like tomorrow? The aim of this paper is to establish a topology of the existing banking systems in order to discuss the position of universal banks. The first section presents the similarities and differences between European countries and describes how evolution towards a unified banking system will be possible.

The role of universal banks in the context of European integration is analysed subsequently. As European regulation privileges the size criterion, the core of the discussion is first a review of the increasing concentration in banking which is taking place not only at an internal level (inside each member country) but also at a Community level. The situation in different member countries will be presented to demonstrate the advantages and disadvantages of a compact banking system.

We go on to give an overview of the arguments in favour of universal banks. In particular we consider whether the power of these banks might present a threat to the stability of the European banking system.

I/ Different banking systems

Universal banks can be understood as organisational structures which maintain close relationships between firms and their financiers in order to guarantee a regular source of capital. The best model is given by the German Grossbanken which developed a consultancy arm, the aim of which was to collect the information needed to evaluate correctly the financial risks of the projects proposed by the enterprises. As early as the nineteenth century, the Berliner banks used to place a member of the bank on the Shareholders' Board in order to exert a monitoring role. This particular situation can be compared to that of other countries in the same period, such as France, Italy and Spain. Such a comparison leads to the following conclusions:

- the universal bank did not exist in France; the banking system was composed of specialised and deposit banks. As a rule credit institutions were not represented in Shareholders' Assemblies.
- Italy remained a unique example: government policy and Central bank intervention in the case of liquidity or solvency problems could be considered a substitute for the absence of consulting organs comparable to those of the Grossbanken.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Nowadays, the opposition between universal and specialised banks still exists and refers to the set of services provided by the institution.
The universal bank can undertake all kinds of banking activities at national and regional level. These banks exist in Germany, the Netherlands, Switzerland, Greece and Luxembourg.
The specialised institution aims to concentrate on the provision of a small range of products and covers a large variety of establishments with respect to both size and the nature of activity.
Whilst the process of deregulation in the 1980s has reduced the extent of the differences between these two modes of functioning, important structural disparities still remain. Hence, the "Anglo-Saxon family" is characterised by the dominance of the market in financial intermediation and by the specialisation of banking institutions not only in the United Kingdom but also in Ireland and Denmark. The "Latin family" includes all the systems where financial intermediation is traditionally strong and where bank specialisation is a long established fact (France, Spain) or a more recent one (Portugal, Italy).

1/ Why such a differentiation of banking systems?

Alfred Steinherr and Christian Huveneers in an article entitled "On the performance of differently regulated financial institutions: some empirical evidence" summarize the disparities in European banking systems by distinguishing two types of institutional functioning: the first is based on the logic of the market (denoted system M), the other is based on the logic of banking (denoted system B). The latter embraces the position of universal banks (denoted BU).

According to these authors financial structures are determined principally by national regulation. Such an affirmation leads to the following question: why do regulation policies differ from one country to another? Beyond the historical elements, important factors will be the place of financial markets, the economic role of the government and the public sector and the degree of economic development. The table in Annex A on bank structures illustrates these differences. There appear to be two opposing blocs: on one side, the Anglo-Saxon bloc where financial markets are more developed and government intervention less common: on the other side, the countries where banks have a predominant position and where regulation often signifies protection. The states which have universal banks must be considered separately: these pursue more macroeconomic objectives. They act in conjunction with the government policy. Then regulation is not really necessary as soon as entry barriers have been installed.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

However, the essential elements which define the disparities between European countries seem to be the evaluation of risk and the monitoring role highlighted in the table on performance. These two concepts are a product of the asymmetric information which exists between borrower and lender. The B system is relational;[1] it produces information through a regular relationship between the lender and the borrower. If, in addition, the banker is a shareholder of the borrower,[2] the long term relationship is reinforced and leads to a better appreciation of risk.

The relationships between banks and their clients are then based on the private information held by trade debtors. This implies the transfer of information that the firm could share with all its creditors. This specificity opposes the B system to the M system. In the latter, information is made public through particular organisations (consulting firms) whose role is to collect and evaluate informative elements. The universal banks combine the two systems giving them a relative advantage as regards risk diversification and the monitoring power they exert on their clients.

In sum the universal bank model possesses a greater aptitude for the collection of information (the banks operating directly through representation on the Shareholders board), enabling them better to manage financial risks by a higher level of asset diversification.

2/ How to realize a unified banking system ?

The financial diversity of European countries has led the European Commission to propose legislative directives in order to realise the unification of the banking system. Our purpose here is to present this legislation and to examine its implications.

The principal text, the Second Banking Directive of 1989, aimed to establish by 1992 a uniform internal market and to solve the problems left over by the First Banking Directive (1977). Its fundamental contribution was the establishment of the principle of unique license in banking questions. This license enables each credit institution to set up in any member country. Annex B lists the services that can be offered in every host country. These are identical to those offered by universal banks. A deregulation process was therefore required for countries in which a distinction between a universal bank and specialised bank had been strictly applied, in order to bring them into line with

[1] cf. Alfred Steinherr and Christian Huveneers 1992 p. 7.

[2] Universal banks generally participate in the enterprises they finance cf. Jeremy Edwards and Klaus Fisher 1993.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

the position chosen by the Commission. This will be examined in the next section.

What then is the procedure by which a bank can set up operations in another member state of the EEC? The authorities of the home country have first to approve the institution's proposals and the adequacy of its structures. When agreement is reached, they transfer the information to the host country and authorise establishment. This implies strong cooperation between banking authorities and reciprocity agreements for all partners.

However, the directive has several limits. In particular, it does not succeed in abolishing entry barriers nor in reducing the hurdle of bureaucratic requirements. The host country can impose a three month delay before allowing a bank to undertake its activity. In addition, three further months can be required before the home country makes a final decision as regards the proposal and transfers the relevant information to the competent authorities. Moreover, the Second Directive, by granting a monitoring role to the host country, partially maintains entry barriers. These rules, which are generally imposed in order to protect the consumer, are applied differently across member countries and no harmonisation is envisaged (cf. Dermine (1993)).

Various rules have been established to protect depositors. The Directive on Equity Capital (1989) aims to harmonise the definition of the equity ratio in order to facilitate the comparison of prudential ratios for European banks. The Directive on Solvency Ratios aims to establish a minimum solvency level for all institutions in the Community. A ratio is then calculated between equity capital and risky assets with different levels of risk attributed to each class of these assets. The equity capital must in addition cover a set of requirements regarding:
- market risk on negotiation portfolio;[3] this includes essentially the risk resulting from variation in asset prices
- exchange risk.

Within these categories can be distinguished specific risk or risk generated by a variation in price related to the issue of the asset, and general risk defined as the risk of a price variation generated by a fluctuation in interest rate, in the case of claims, or by a general movement in asset prices.
The requirement of equity capital relative to general risk is determined by the application of a coefficient of 8% to the net global position.[4]

---

[3] The negotiation portfolio is principally represented by transactions in assets (cf. the Journal Officiel de la République Française of September 28th 1995 alinéa 5).

[4] The net position represents the buyer account (or net long position) or the bear account (short net position) of the operations registered by the establishment on each asset or instruments belonging to the negotiation portfolio.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

The requirement of equity capital relative to specific risk is determined by applying a coefficient of 4% to the gross global position.
Exchange rate risk must be covered by equity capital as soon as the global net position in currency exceeds 2% of total equity capital..
Finally, in order to prevent a credit institution from accumulating an unacceptable level of risk with a single client or group of clients, the Commission published a Recommendation regarding Control and Supervision at the start of 1987. Each institution has to provide an annual report to the relevant authorities giving details on risky commitments even if they represent less than 15% of equity capital.

Additional documents aim at ensuring the protection of the clients in their dealing with the credit establishments. To this end one can distinguish:
- a directive on consumption credit (adopted in December 1986, applicable since January 1st 1990), the aim of which was essentially to eliminate distortions in competition due to disparities in national regulations;
- a recommendation on deposits, which imposed a guarantee system for deposits in all member states, with respect to minima criteria.

In general these regulations express the position of the Commission regarding the establishment of a new type of bank very close to the universal bank. They will, without doubt, provoke profound changes in the different national systems. All EEC members intend to prevent the type of solvency or liquidity risk which can penalise depositors. However preventive measures are not applied uniformly across the European Union. This will be discussed now.

3/ The modifications provoked by the new European "regulation"

Europe is actually at the intersection of two opposing tendencies:
- a logic of convergence expressed by the European Commission which aims to install a unique banking market;
- a logic of divergence which maintains the disparities between the different banking systems (as they already exist in the member countries).
The arguments that follow will first discuss the transformations provoked by the new regulations. Then a critical analysis of the legislation's application will be presented in order to illustrate the "perverse effects" which arise from the establishment of a unified banking area.
Annex C describes the changes in regulation that have occurred since 1980 in Germany, Belgium, Spain, France, Italy and the Netherlands. In the 1970s some regulation was applied. However, restrictions have always been very limited in Germany, intended only to establish a clear separation between banking services and insurance operations. The United Kingdom was also very liberal and did not

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

control the activities of building societies. Spain and Belgium possessed important functional cleavages and some specialised institutions.

The deregulation movement which took place in the 1980s can be summarised as follows. Three countries, Germany, the United Kingdom and the Netherlands have experienced deregulation in a fairly unrestrictive legislative context. Globally no strong transformation can be noted in Germany or the Netherlands, although in the latter the functional separation between commercial banks and investment banks has progressively disappeared.

In contrast Italy has followed a cautious evolutionary path. Having begun by promoting the model of the pluri-functional bank (with the "Amato" law) in a more universal objective (as described in the Second Directive), it has now slowed down the rate of change because of profitability losses.[5]

Between these two extreme cases, Belgium, France and Spain have undertaken serious processes of deregulation. Spain has despecialised its system and has promoted an orientation towards universal banks. In France, the distinction between deposit and investment banks is gradually disappearing giving way to institutions with more diversified activities.

As previously mentioned, three banking families still coexist in Europe. The new regulations attempt to eliminate these disparities in order to realise unified internal market. The question is how the Second Directive could lead to a more competitive situation with a wider variety of activities for banking institutions.

The Second Directive in recognizing the home country's supremacy as regards the establishment of a bank, allows a surprising degree of discrimination: a branch of a foreign bank, authorised in a Community country where regulations are more liberal than in the host country, benefits from an advantage over local banks in that it can produce or take part in activities not accessible to the latter. It is forbidden for example for Belgian or Italian banks to participate directly in industrial companies. But, in the same countries, a branch of an authorised German bank (where these restrictions do not apply) can so participate, and in doing so gain an advantage over national banks. Similarly, British banks, which can intervene directly on the asset markets at home can proceed in the same way in France where such practices are forbidden.

Such disadvantageous circumstances for the host country should disappear with the interaction of market forces. It is expected that the national systems will

---

[5] For more details see the article of Angelo Baglioni *Banca Universale, Gruppo Polifunzionale, Banca Mista: Una Rassegna della Letteratura*, Banca Commerciale Italiana Milano, Guigno 1993.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

slowly converge to the universality model annihilating national differences and allowing all the benefit from the free provision of financial services.

However, legislative deregulation on its own is not sufficient to reach the model of universality. Considerations regarding market position and size are necessary if credit institutions are to become comparable to German ones. Banking concentration at the national and Community level is essential to reach a model competitive with respect to countries where very powerful banks exist (eg. the United States and Japan).

II/ European Integration: the role of universal banks in the financial system

As mentioned earlier, the new banking legislation promotes universal banks more capable of standing up to foreign competition. To reach this objective, the simplest solution during the 1990s decade has been to increase the size of banking institutions, which is the reflection of power and flexibility. European integration cannot be separated from a movement towards concentration, which leads to the following questions:

- does this concentration mean a real increase in banking power?
- given that this process will reinforce the position of the more powerful banks, is it efficient for the European banking system?

In particular the position of some EEC partners in facing this evolution will be discussed. The predominance of universal banks will then be critically analysed.

1/ The problem of increasing concentration

Annex D reproduces a non-exhaustive list of domestic and infra-Community concentration over the last decade. Despite differences with respect to establishments, each banking system possesses a strong core of institutions recognised by the proper authorities and the public sector.[6] The question is whether the size of banking companies is becoming significant. Annex D (point B) shows that domestic acquisitions and mergers are initiated by dominant banks. Which criteria do these credit institutions follow when signing their contracts?

---

[6] For example, in the United Kingdom the core includes Barclays, National Westminster, Midland and Lloyds; in France the Crédit Agricole, the B.N.P., the Crédit Lyonnais, the Société Générale and Paribas; in Italy the Banca Nazionale del Lavoro, the Instituto Bancario Sao Paolo, the Monte dei Paschi di Siena; and in Germany the Deutsche Bank, the Dresdner Bank and the Commerzbank.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

If we consider the inside market two criteria are predominant. The first concerns the conditions of competition and consequently the access to a higher level of performance. In particular, a larger size implies an increase in market power and greater gains from economies of scale, if one can afford to invest the necessary capital to realise the acquisitions or mergers. As a result Europe will not become a perfectly competitive banking market place, as was intended for 1992. The immediate consequence is rather the reinforcement of monopoly forces, which already exist. In countries where concentration is low (eg. Spain and Portugal, where the banking system was characterised, until recently, by a greater fragmentation) this movement was necessary in order to face competition not only in Europe but also at an international level. The existence of agreements between banks tends to prove a preference for risk control rather than an emphasis on competition.[7]

Secondly, the increase of size in the banking sector makes possible a wider market diversification not only at a geographical level but also at a sector-based level. If we look at the way in which classical universal banks function, it seems that their market power enables them to set up subsidiaries in several regions.[8] Moreover, their innovative capacity with respect to products and techniques gives them the opportunity to adapt to multiple financial activities.[9] These innovative processes nevertheless require that the costs suffered in the short term lead to substantial profits in the long term. This is the basic argument for concentration of banking establishments inside each member country.

The transition towards concentration among the different partners induces in addition technology transfers (import and export) in order to satisfy the needs of the host market.

This movement towards a more compact banking system in the hands of increasingly powerful companies seems a necessary condition for European unification. An interesting question is whether this orientation is perceived favourably by all European members.

[7] For more detail see the article by Heather D. Gibson and Euclid Tsakalotos, "European Integration and Banking in Southern Europe: Competition, Efficiency and Structure" KETMENA 1992.

[8] The German Grossbanken are represented in each Land.

[9] As a reference, we cite the Bancassurance phenomenon that took between 1980-90.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

2/ National reactions towards deregulation: the Scandinavian position

In the first section it was pointed out that some European partners have a tradition of distinction between specialised and universal banks. In Scandinavian countries in particular, these larger banks (as regards size and market power) are rare. We wonder whether the present legislative context will oblige them to create these institutions ex nihilo. As an example let us cite Denmark and Norway in which the absence of these large banks is most notable. For these two countries the new regulations constitute a serious barrier to the future integration of their banking industries and explain the opposition of the monetary and government authorities towards such changes. While in most European countries, the economies of scope are almost reached, Scandinavia must undertake a continuous process of banking concentration[10] before the levels of competitiveness required by European standards are satisfied. Ironically, in practice, mergers and banking agreements have been rare: the most notable ones are those which took place between the Finnish institution Kansallis-Osake-Pankki and the Swedish bank G÷tabanken. One ought not to over-estimate this phenomenon. It is well known that the Danish and Norwegian economies have faced stagnation in the last few years while Sweden and Finland have benefited from high rates of investment and growth. However, the small number of contracts signed could be a sign of resistance to fundamental change in countries not prepared for the "foundation" of universal banks like the German ones.

Internal financial crises (eg. the banking failures that occurred in the 1980s) are also a source of the problem. The most famous bankruptcy was that of Kronebanken A/S, the fourth biggest bank in Denmark, which resulted from a merger between two existing banks. After political intervention a second collusion with the Den Danske Provinsbank occurred. None of the depositors lost any capital but the State promised that a guarantee fund would be established despite the opposition of the banking organisations. This failed alliance was not without its influence on the lack of enthusiasm for the concentration of banking. At the beginning of 1987 a more modest establishment, the Sixth July Bank was forced to close by the banking authorities for reasons which remained obscure. Afterwards the Guarantee Funds were established by law in application of the European directives.[11]

---

[10] Denmark is considered to be the country with the largest extension of banking services in Europe (cf. Lyck (1990)).

[11] For more detail see the Réglement n°95-01 of 21st July 1995 relative to the guarantee of deposits (Journal Officiel de la République française of 28 September 1995).

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

The Swedish case must be considered separately from that of the other Scandinavian countries: its banking system is quite concentrated and includes universal institutions. Four establishments dominate the market: Skandinaska Enskilda Bank, PK Banken, Swedbank and Svenska Handelsbank (in December 1989 the PK Banken merged with the Nordbanken, the most profitable bank in Sweden). The new banking regulations appear better adapted to Sweden than to Scandinavia as a whole.

Despite some resistance and divergent opinions on the concentration process (due to the presence of a very fragmented banking system) Scandinavian countries are committed to deregulation. In contrast to European partners, however, economists and responsible authorities (cf. Gardener (1989) and Lyck (1990)) have expressed reservations about the integration process. An overview of the question is presented below in order to analyse the difficulty resulting from the foundation of a unified banking system.

3/ The advantages and limits of a banking system dominated by the Universal Banks

The predominance of universal banks calls for a definition of European banking activities. Universal banks exert simultaneously the lender's and the shareholder's role for their societies. This point is studied by Aoki (1994) in the Japanese context and leads to two main conclusions. Bankers fix their mixed strategy of investment (as lender and shareholder) so that they maximise net income. However, their participation as holders of assets generates a level of debt over and above the level required to optimise the value of the firm. This solution is preferable for the bank for which the loss due to an under-evaluation of assets is largely compensated by an over-credit with a higher interest rate. Secondly, the bank which is both lender and shareholder bears part of the industrial risk and as such influences the industrial decisions of societies in which it has an interest. This scenario, while essentially valid for Japan, is also effective for most European countries. According to the conventional wisdom these practices improve profitability for the lenders. The question is then whether this increase in profitability is the only phenomenon associated with universal banks. The actual context tends to reduce the demarcation between commercial and investment activities for all credit establishments. The regulations focus essentially on solvency and liquidity risk and not on market interest rate risk (cf section I point 2). As regards the universal banks, this distinction becomes totally inappropriate. For the commercial banks the objective is to control solvency and liquidity risks while investment banks are concentrated on position and market risk. Universal banks will be in position to take into consideration these two factors together and to consolidate their place in the European banking system with respect to any other form of institution.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

However, concentration in favour of the most powerful organisms produces inconveniences for the system as a whole. The first relates to the excessive emphasis on profit which can generate financial disequilibria. Two essential factors of instability can be envisaged. The excessive emphasis on profit from the bank's and shareholders' point of view can imply risky investments. An incautious attitude adopted in order to gain control rapidly over large parts of the market can lead to crisis situations which are only controllable by a counter-power as the lender of the last resort. The second factor of instability regards the danger of distortions in competition in relation to non financial intermediaries and to more modest banks.

As regards these different arguments it is possible to consider that concentration may increase efficiency in the European system if risks are properly controlled. In other words, is size a relevant criterion for the European banking system?

III/ Are Size, Universality and Efficiency necessarily correlated?

This section is devoted to the evaluation of the advantages offered by universal banks in order to examine if this is the best option for the unified market. A critical analysis of all or some of the effects provoked by deregulation will enable us to evaluate the impact of universal banks on European banking system.

1/ Are universal banks more profitable for the European banking system?

A number of proponents of universal banks have based their arguments on the capacity of these institutions to acquire reliable information on solvency and liquidity risk. The cost induced by this activity is smaller than that which would have be faced by a specialised credit establishment. This condition is considered as necessary and sufficient to maintain the global cohesion of the system.[12] However, this advantage seems to have been over-estimated. When placed in a European perspective, the differences between the performance of specialised and non specialised establishments are less significant. In particular,

---

[12] For more detail see: Alfred Steinherr and Christian Huveneers (1990): "Universal Banks: The Prototype of Successful Banks in the Integrated European Market? A view inspired by German Experience", Working Paper Centre for European Policy Studies; Jeremy Edwards and Klaus Fisher, (eds) (1993): "Banks, Finance and Investment in Germany", Cambridge University Press.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

debt contracts do not translate to a strong differentiation in interest rates, as might be expected.[13]

If universal banks did benefit from informational superiority, the latter would be reflected in a higher level of performance.[14] However this advantage is not easily evaluated (Cable (1985, p. 121). Cable aims to simulate the repercussions that would be generated if a bank representative were to participate as an entreprise shareholder in the British banking system, as is done in Germany. The conclusion is the following: the combination of credit allocation and supervision leads to good performances for the bank and the enterprise. But it is difficult to isolate which factor prevails. This form of participation introduced into the British model would imply a transition from short term relations to longer ones.

Turning to the question of economies of scale, many financial specialists consider that size can contribute positively to good performance in three ways: through lower administration costs, through an increase in the intermediation techniques allowed by higher level of innovation research, and through reduced costs of commercialisation (the idea being that consumer recognition of a product is a function of size and constitutes an important determinant of sales (cf. Gardener (1989)). Prais (1981) insists that size enables a reduction in the variability of company incomes.[15] Moreover Clark (1988) fails to prove the hypothesis that economies of scale are relevant for the banking sector. His conclusion is that the latter are only significant for deposit institutions of small size (representing less than 100 million Dollars US as total deposit). Muldur, Sassenou et Pacolet (1989) add that the biggest establishments benefit from economies of scale which are in part counterbalanced by diseconomies of the same nature (eg. higher costs of R&D...). This factor is not then best adapted to justify an orientation towards a "German" banking system.

---

[13] Alfred Steinherr and Christian Huveneers (1992b) state in part :
"Doubts about universal banks' informational superiority are, however raised by performance comparisons. If the information superiority of universal banks as compared to commercial banks, was really significant, then one should be able to observe at least one of the following differences in loan contracts: loans granted by universal banks should exhibit greater differentiation in risk premiums, lower default ratios or credit with longer maturities" (p. 52).

[14] Cable (1985) remarks that placing a bank representative on the Board of Shareholders of an enterprise, confers to the lender an informational advantage leading to a more efficient control of the investment activities. Prais (1981) observes in this regard that this internal supervision acts as a consulting agency paid for by the shareholders.

[15] For more detail see Prais (1981) p. 97 et sq.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

The last point is the criterion of risk diversification. The literature analyses this concept through the definition of the debt contract between a bank and an enterprise. A situation of adverse selection exists generally between these two partners (cf. Deshon and Freixas (1987), Laffont and Freixas (1988), Gale and Hellwig (1984), Stiglitz and Weiss (1981)) caused by an asymmetric information regarding the project to be undertaken. This hypothesis leads the bank to prefer credit rationing to the realisation of an equilibrium between demand and supply at a specific interest rate.[16] The agency relationship between a bank and a firm prevents the lender from distinguishing sound creditor risks from bad ones. The requirement of a guarantee can solve such problems and enables the lender to separate good borrowers from bad ones. In this context Freixas-Deshon (1987) establish two types of loan systems:

- the optimal separating contracts, where good credit risks are identified
- the credit rationing solution, where neither guarantee nor interest rate make selection possible since the bank is unable to take the surplus of its loan customers.

Credit establishments constitute then a portfolio of participation in the different societies so that they minimise financial risk. It is often suggested that universal banks reach such a level of diversification that they can maintain a higher level of stability. Jordi Canals (1993) has constructed a regression to verify the correlation between size and asset revenue for a sample of 24 American banks. He proves that this relation is negative and that the most profitable banks are the smallest ones.[17] Alfred Steinherr and Christian Huveneers (1992b) give us a hypothesis test of stability, comparing the differences in the means and variances of profits between the largest banks of certain European countries and the whole banking sector in the same countries for the 1980. They doubt that size is an essential criterion for reaching a higher level of performance through a wider diversification of assets. The results of this test are reported in the table below.

---

[16] Stiglitz and Weiss (1988) state in part:
" As a consequence, as the bank raises the rate of interest, there is an adverse selection effect: the mix of loans applicants changes adversely, so much that the expected return from those receiving loans may actually decrease as the interest rate charge is increased. And there may be an adverse incentive effect: borrowers take riskier actions, which increases the probability of default."

[17] Jordi Canals, Chapter 10 "Competitive Strategies of European Banks" p. 220.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Variability of profit results between 1980-86

	Net Revenue*		Gross revenue**	
	Mean	Standard Error	Mean	Standard Error
Germany				
The 3 Big Banks	1.24	0.29	3.85	0.42
All banks	1.13	0.19	2.93	0.21
Is the variance bigger for the big banks?		No	Yes to a level of 0.10	
United Kingdom (Only the 5 more important clearing banks)	1.53	0.19	4.93	0.26
France				
Big banks	1.29	0.22	4.05	0.49
All banks	1.39	0.13	4.33	0.31
Difference in variance significant?		No		No
Spain				
7 Big banks	1.96	0.12	5.58	0.34
All banks	1.58	0.10	4.72	0.21
Difference of variance significant?		No	Yes to a level of 0.10	

NB. The results are expressed in percentage of capital. * Net revenue means revenue after tax and ** gross revenue represents the same variable before it.
Germany: all the banks are universal; the big banks are the Deutsche Bank, the Dresdner Bank and the Commerzbank.
United Kingdom: the banks considered are the 5 principal London clearing banks.
France: the totality of banks includes all the mutual and commercial banks, the big banks are represented by the 8 biggest commercial banks.
Spain: the big banks include the 7 biggest commercial banks.
source Steinherr and Huveneers (1992b)

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

The above figures do not support the hypothesis of increased profitability. The three biggest German banks do not exhibit a standard error smaller for their surplus operations and their gross revenue (a similar situation is to be observed for the Spanish case; the French case shows a certain coherence as regards these parameters). In other words a larger size does not induce a smaller variance as regards profits. Even for universal banks with dominant position as regards size can suffer from profit fluctuations. However it is difficult to say precisely if this excess volatility in performance is only connected to universality given that the great variability of the German banks' profits taken as a whole is not statistically more important than that of the other banking systems (one of the essential reasons for these differences being a quite low degree of freedom due to the small numbers of years included in the sample, the only source of data being the OECD).
This test raises some doubts about the superiority of performance permitted by a quasi perfect capacity of diversifying risks. A simple comparison of the net and/or gross revenues obtained for Germany or France does not exhibit very impressive differences in magnitude.

The preceding work suggests that the biggest establishments are not necessarily the most profitable. It will be interesting to add a similar study which begins after the concentration movement in order to take account of any effects this may have had. To this end the level of profit after deduction of taxes has been examined for the period 1989-93, which was when the principal banking acquisitions took place. The following countries have been taken into consideration: France, Germany, Italy, Spain. Unfortunately no data were available for the United Kingdom. Two types of establishments constitute the basis of our sample: all banks, and the biggest institutions with respect to size. As before, size is taken as relevant characteristic of the universality model. If this is, of course, not completely exact, it is an assumption we are bound to make to make progress. The results are reported in the table below.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

Variation of profit between 1989-93

	Net Profit Mean	Standard Error
Germany		
The 3 biggest	3.28	0.20
All banks	2.39	0.15
Is the variance greater for the biggest banks ?		No
Italy		
The Great Banks	2.77	0.15
All banks	2.61	0.16
Is the variance greater for the biggest banks ?		No
France		
Big banks	2.28	0.13
All banks	2.58	0.14
Difference of variance significant ?		No
Spain		
7 Big banks	3.74	0.19
All Banks	4.14	0.28
Difference of variance significant ?		No

NB. Germany: all the banks are universal; the big banks are the Deutsche Bank, the Dresdner Bank and the Commerzbank.
France: the totality of banks includes all the mutual and commercial banks, the big banks are represented by the 8 biggest commercial banks.
Spain: the big banks include the 7 biggest commercial banks.
source OECD.

If we compare these numbers to those proposed by Steinherr and Huveneers (1992b), it appears that the data give no evidence of a significant difference due to the presence of banks that benefit from great power in the market. The question is then whether a move towards universality is really desirable. Put another way, would it not be more profitable to adopt a more cautious attitude

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

towards the perturbations generated in countries where domestic banking concentration is very low (cf. the Scandinavian countries, Portugal....)

One could object that this argument is insufficient to prove that universal banks are more profitable than specialised banks. In order to reinforce the point data reported in Dermine (1993) will be used. It is often argued that large bank size can be of help when facing a wider integrated risky market. The table below shows the correlation between bank size and claims as a percentage of the total assets of commercial banks.

Total assets	Herfindhal of top five banks in million $	Estimated Concentration Index	Claims as% average size of all banks in million $	of total assets of commercial banks (1)
Italy	100	3.7	1.6	21.7
France	232	10.2	2.0	4.2
Germany	165	3.3	1.5	13.5
United Kingdom	155	15.0	1.9	1.1
Belgium	64	14.8	2.2	19.3
Spain	53	9.4	0.7	7.7

Data on the top 500 banks in the world are from the Banker, July 1988. Data are for 1987 except for the last column, where calculations have been made using information contained in the EEC Report (1988).
(1) Germany, 240 commercial banks; France, 435 commercial banks and credit copperatives; Italy, 401 commercial and savings banks; UK 660 statistical banks; Belgium, 119 banks, private savings banks and public credit institutions; Spain 363 banks.
Calculations are based on IMF-IFS data. 'Total assets' are obtained as the sum of reserves, foreign assets and claims on the private sector, government and other financial intermediaries.

From these data it can be seen that Italy was one of the less concentrated countries. A large part of its activity is devoted to financing the public sector and it has the highest percentage of bank claims on government. If the preceding considerations are added to these ones, it appears that the correlation between size and profitability is not always positive.

In conclusion, one can support the idea that universal banks do not benefit from comparative advantages as important as those suggested in the majority of the financial literature. Much research (eg. Lemaire J.P. and P.B. Ruffini (1993))

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

shows that these banks have grown to a point at which an additional rise in size will generate perverse effects for all elements of the system. One can wonder whether the creation of counter-powers will not be necessary if the benefits of universal banking are to be enjoyed without suffering from the damages.

2/ Solutions proposed to control the power of universal banks.

This bring us to the problem of cooperation among the different national authorities. In other words is it possible to envisage the creation of a central institution capable of controlling economic standards?
This refers to the necessity of the creation of European Central Bank. Xavier Vives (1993) has summarised the functions of the European Central Bank (ECB) as presented in the European legislation.[18]
The tasks to be exerted by this new institution are:

1/ to preserve European stability in the payment system in conjunction with the control authorities,

2/ to intervene in case of liquidity problems, with the national European authorities (in particular national central banks) taking part in solvency questions.
The definition of the lender of last resort and its intervention domain remains obscure. Charles Goodhart states in part:

> *"There is no mention of any specific objectives to sustain the health and effective functioning of the banking and the financial systems among the objectives set out in Art 2. Moreover there is no reference to the possible role of the European System of Central Bank as a lender of last resort to be found in the statute."*[19]

---

[18] During 1990 the Committee of Governors of European Central Banks prepared a proposal for statutes of the future European Central Bank. This document was presented to the Ministers of Finance of Europe on December 2nd 1990. It became public in the same month.

[19] cf. Charles Goodhart "A European Central Bank" in A. Mullineux (Ed) *European Banking* Blackwell 1992. The article 25.2 removes all possibility to design the European Central Bank as a supervision organ and transfers the totality of these competencies to the national institutions. The proposed system is then very close to the one that exists in the United States, which means the separation between the institutions responsible of the monetary stability (cf. the US. Federal System) and the lender of last resort.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

In fact this Second Directive foresees supervision on the part of the home country as regards illiquidity and insolvency matters. In joint reference to this text and the European legislation it is possible to affirm that the European Central Bank is not the Bank of banks but an independent organ capable of controlling monetary stability[20] (and in particular the European price level).[21] In no case does it constitute a counter-power in the face of the universal banks. The question is whether the national central banks will be able to assume the role of lender of last resort knowing that the size and needs of certain of large universal banks require the intervention of a comparable bank, strongly convinced of its functions and independence.[22] What will happen when a bank, established in any country of Europe faces difficulties in the host country? If we refer to the actual legislation, the central bank of the home country will intervene. However repercussions regarding the liquidity of solvency problems will occur in the host country. This calls for a strict collaboration between the different central organisms. What will happen when two banks belonging to different countries which have only signed cooperation contracts become illiquid or insolvent? In this last case which will be the competent authority to intervene? The legislation as regards this last case is less than categorical. If two (or more) banks decide to cooperate outside of implicit contractual agreements, it seems difficult to decide which intervention organism will be the more adequate.

Finally, once all these problems have been resolved, what will be the intervention criteria? Charles Goodhart (1985) puts forward the thesis that the

---

[20] Dr H. Tietmeyer from the Deutsche Bundesbank justified this separation between the role of preservation of monetary stability and the lender of last resort as followed:
"... if too many tasks were to be assigned to the European Central Bank this could complicate the conduct of monetary policy. The European System of Central Bank System (ESCB) should be free, therefore from responsibilities other than those for monetary policy. In particular banking supervision should not be assigned to the ESCB, but should be left with national authorities, if only to prevent the ESCB from being forced into a "lender of last resort" function that would not be compatible with its task of safeguarding the currency..."
Deutsche Bundesbank 1991.

[21] In fact the European legislation is very similar to the situation that exists actually in the United States and that establishes a separation between the monetary institutions and the institutions of "banking supervision" cf. Charles Goodhart (1995).

[22] This independence criterion is not to be neglected if we want to prevent deficit manipulations of the national governments.

© The Author(s). European University Institute. Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

distinction between illiquidity risk and insolvency is a myth.[23] The literature on investment constraints supports this position. As Bernanke (1983) has shown, the large fall in bank liquidity may help to explain the depth and the persistence of the Great Depression. In this situation it becomes difficult to establish the frontier between illiquidity and insolvency. To this consideration, one could add the principle "too big to fail", more connected to a pure size criterion than to universality. In these conditions will it be possible for the Central Bank to intervene?

The problem is then to evaluate if it is really possible to control the predominance of the banks best placed on the market. In the affirmative case, how can the dangers generated by their power be prevented? No satisfactory response has been furnished up to now, probably because the big banks of the EEC members have had, until recently, the ability to protect themselves from illiquidity or insolvency risks. However, the history of banking failures tells us that it would be presumptuous to neglect the possibility of such situations even for the most competitive institutions and the ones most capable of diversifying their risks. The most urgent preoccupation could then be for European authorities intent on realising a single banking market to rethink the means to be adopted. It could be that the future European Central Bank should become the lender of last resort. This implies a sufficient independence towards the national monetary authorities which will enable it to take the necessary measures without suffering the influence of the individual governments. These are some of the institutional gaps which need to be filled in order to realize an European banking area.

General Conclusion

The arguments traced in this paper suggest that the advantages of universal banks have been overestimated and their disadvantages for the whole banking sector minimised. The question is then: what will be the future of universal banks? In order to answer this question, a correct evaluation of the problems is an absolute priority if the realisation of a unified banking market is an objective for the end of this century. Several solutions are possible. The first would be to pay more attention to the situation of European members. In the second section of this paper, the problems of the Scandinavian countries were mentioned. The difficulties encountered by Portugal in its development are also

[23] He affirms that "Because of the difficulty of valuing [the distressed bank's] assets, a Central Bank will usually have to take a decision on last resort support to meet an immediate liquidity problem when it knows that there is a doubt about solvency, but does not know just how bad the latter position actually is", Goodhart (1985) p. 35.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

of relevance; a number of banks were nationalised under the Salazar government and have been privatised only very recently. These institutions are much smaller and more specialised than those in the average European member state. Banking integration will require more time and more substantial change than in most European countries.

The last section critically evaluated the arguments in favour of the predominance of universal banks over any other form of institution. Jean Dermine (1993) insists that certain specialised banks are as competitive as universal establishments. The option for the future could be a more adequate equilibrium between banking institutions in order to preserve the potential advantages of universal banks without being completely exposed to the disadvantages.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Annexe A

The Financial Institutions dominated by the market or by the banks

a. Structure

	Country	Role of the Government	Macroeconomic Objectives	Openness	Information	Interest conflicts	Conflict Resolution	Control exercise
M	United Kingdom, Ireland	Predominance of the market	detailed regulation on a micro-economic level in order to guarantee the conditions of competitiveness	very open	Obligation of public revelation, role of the organisms evaluating information	present and constitute a criminal offence according to the judicial regulation	Explicit contracts, resolution in court	through the stock markets and property control, exclusion is the supreme penalty
B	Italy, Scandinavian Countries, France, Portugal	Confidence in governmental intervention	competitiveness is not the key factor; more direct intervention as regards credit control	regulation leads to a protection as regards the foreign competition	more private information, market less developed and less informative	present but legislative dispositions less severe to solve them	implicit contracts, conflicts solved by bilateral negotiation and control	Exclusion and vote; the banks control but can decide to withdraw
B U	Germany, Netherlands, Spain, Greece, Belgian, Luxembourg	identical to case (B)	macro-economic objectives dominate	no protective regulation but systematic resistance to foreign penetration	the most developed system as regards private information	potentially more pronounced, legal dispositions less severe	resolution in court rare and marginal	the vote dominates, long term relation and corporate control through the detention of credit and assets

M =Market, B = Bank; BU =Universal Bank

From Steinherr et Huveneers 1992

Remark: The authors quoted above report some EEC countries; our aim was to identify all of them in one category.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

b. Performance

	Returns to Scale	Competition	Innovation	Application Domain	Risk	Internationalisation	Market Penetration by foreign countries
M	in the market size	through substitution products, absence of entry barriers	Strong innovation of product openness	based on short term performances	larger volatility but more important liquidity	easy	contestability effects, withdrawal possible
B	in the size of the enterprise	limited by the absence of substitutes, entry barriers by the regulation system and a network distribution	strong innovation process, innovation blocked by the absence of developed assets markets less competitiveness	short period horizon	few liquid assets, deposit activity stable but low level of diversification	more difficult and little interest because of gap of competitiveness of banks abroad	difficult, the traditional network distribution gives protection, withdrawal rare
BU	in the size of the market and of the enterprise	absence of substitutes, strong regulations	identical to (B)	long period relation and performance	high activity of diversification; high quantity of information and credit control, mixture of liquid and illiquid assets	more difficult because of the existence of traditionally close banking relations	more difficult where banking relations are more developed and based on participation in asset, returns to scale, withdrawal rare

M = Market, B = Bank; BU = Universal Bank
From Steinherr et Huveneers 1992

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

Annexe B: List of Activities included in the Second Banking Directive

1 Deposit activities and other forms of lending
2 Lending (consumption credit, mortgage credit, factoring, commercial finance)
3 Financial Leasing
4 Monetary transmission services
5 Issuing and administration of means of payments (credit cards, traveller checks...)
6 Guarantees and financial commitments
7 Trade for own accounts or for account of the customers in
  (i) money market instruments (cheques, bills, credit deposits, etc...)
  (ii) foreign exchange
  (iii) financial futures and options
  (iv) exchange and interest rate instruments
  (v) securities
8 Participation in share issues and provisions of services relative to such issues
9 Money Broking
10 Portfolio management and advices
11 Safekeeping of securitiess
12 Credit references services
13 Safe custody services

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Annex C: Some examples of the principal structural transformations in national banking systems

Belgium
- Separation between investment banks and commercial banks progressively relaxed.
- No direct trade of assets, participation in brokering houses progressively authorised.
- Banks can possess insurance companies.
- Recent despecialisation of saving banks and public credit institutions.

France
- 1984: widening range of products for mutual banks and cooperative banks. End of the specialisation of the banking system.
- No direct trade of assets by banks. Must be exerted by subsidiaries.
- No insurance activities for banks but the latter can possess insurance companies without any restrictions.
- The mutual funds must be held by subsidiaries.

Germany
- Mortgage exclusively reserved to banking mortgage and building companies.
- Leasing and Mutual funds through subsidiaries.
- No insurance activities possible but banks can possess insurance companies.

Italy
- Specialisation significant inside the banking system. Until 1986 distinction between short term funds given to commercial banks (up to 18 months) and medium and long term funds (exerted by specific credit institutions). Very limited distortions to the legislation in 1986.
- May 1980 Banks are authorised to buy provisions in insurance companies.

Spain
- Widening range of saving banks and disappearance of specialisation even before the 1980s.
- In 1988 relaxation of the persisting restrictions on merchant banks (leasing, mortgage bonds).
- The insurance activities and the mutual funds can be exerted by subsidiaries.
- Trade of assets through subsidiaries.

Netherlands
- Functional Separation "de facto"
- Restrictions on the property of insurance companies by banks.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

United Kingdom
- No investment consulting or sales of investment products after 1986 (FSA)
- 1986: Capital trade is allowed (100% of property for members of stock markets)
- 1986: The property societies are authorised to take risky loans and to grant credit cards.
- No restriction relative to the private property of insurance companies by banks.
- 1989-1992 Deregulation of financial Services

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Annex D: Domestic and infra EEC concentration

A. Principal domestic concentrations

Source - Lafferty Group, Financial Revolution in Europe, February 1990 et European Banker, April 1990
- The Banker, Top 1000, July 1990
- ABB, Les banques au sein du secteur financier en 1988, October 1989
- Annual Reports of the Belgian banks and savings banks
- Financial Times December 1992
- The Banker 22 october 1995

Country	Institutions	Nature of the operation
Spain		
	- Banco de Vizcaya & Banco de Bilbao (1988)	Merger
	- Caja de Barcelona & la Caixa de Pensions (1989)	Merger
	- Banco Hispano Americano & Banco Central (1991)	Merger
	- Banco Exterior, Credito Industrial & Credito Agricola (1992)	Merger
Danmark		
	- Copenhagen Handelsbank, Den Danske Bank & Provinsbanken	Merger
	- Privatbanken, Sparekassen SDS & Andelsbanken	Merger
	- Sydbank & Sparelassen Sydiylland	Merger
Sweden		
	- PK Banken & Nordbanken (1989)	Merger
	- Svenska Handelsbanken & Skanska Banken (1989)	Svenska adquired Skanska
	- PK Banken Nordbanken &Gotabank (1990)	Merger
Netherlands		
	- Algemene Bank Nederland (ABN) & Amsterdam Rotterdam Bank (Amro) (1990)	Merger
	- NMB & Postdam (1989)	Merger
Germany		
	- Landesbank Stuttgart & Badische Kommunale Landesbank (1988)	Merger
	- Landesbank Berlin,Berliner Bank & Berliner Hypo (1994)	Merger
Norway		
	- Den Norske Creditbank et Berger Bank (1989)	Merger
	- Christiana Bank og Kreditkasse et Soerlandsbanken (1989)	Merger

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

United Kingdom

- Alliance and Leicester et Girobank (1989) — Alliance adquired Girobank
- HSCB and Midland (1992) — Merger

Italy

- Cassa di Risparmio di Roma (CRR) et Banco di Santo Spirito (BSS) (1989) — Acquisition
- Banca Commerciale Italiana (BCI) et Credito Italiano (1990) Acquisition
- Banco Commerciale Italiana et Banca Sicula (1990) — Acquisition
- Banco Ambrosiano Veneto et Citibank Italia (1990) — Acquisition
- Cassa di Risparmio de Rome et Banco di Roma (1990) Acquisition
- Instituto Bancario San Paolo di Torino et Crediop (1991)Acquisition

Belgium

- Bank voor Handelskrediet et Gesbank — Acquisition
- Tiense Bank et Metropolitan Bank — Acquisition
- Spaarbank Ippa et Bank Ippa — Merger
- AGF Spaarbank et Sofibank — Acquisition
- Banque DrΦze et BAC — Acquisition
- Spaarbank Unispar et Paribas Bank Belgiδ — Acquisition

B. Principal Mergers and acquisitions infra-community

Target Country	Year	Initiator	Target
Spain	1989	National Westminster bank (GB)	Banco Nacional West March
	1989	Deutsche Bank (D)	Banco Trans
	1990	Crédit Lyonnais (F)	Banco Commercial Espanol
	1990	Crédit Lyonnais (F)	Iberagentes
	1991	Crédit Lyonnais (F)	Banco Jover
	1991	Instituto Bancario San Paolo di Torino (I)	Banca Catala de Credit
United Kingdom	1989	Deutsche Bank (D)	Morgan Grenfell
	1990	NAB	Yorshire Bank
	1990	Banco Popolare Novara (I)	SFE Bank
France	1988	BNP (F)	Chemical Bank's mortgage subsidiary
	1989	Bank Brussel Lambert (B)	Banque Dreyfus
	1990	Barclays Bank (GB)	L'Européene de Crédit
Italy	1989	Crédit Lyonnais (F)	Credito Bergamo
Norway	1990	BNP (F)	Kjobmondsbanken

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

Portugal	1990	Royal Bank of Scotland (GB)	Banco de Commercio e Industria
	1990	Banco Santander (E)	Banco de Commercio e Industria
Belgium	1989	Banque Régionale d'Escompte et de Dépôts (F)	Crédit Liégois
	1989	Westdeutsche Landesbank (D)	Spaarbank Minerve
Germany	1990	Barclays Bank PLC (GB)	Merck, Finck & C
	1995	Lloyds (GB)	Frankfurt's Schroder
Netherlands	1988	Crédit Lyonnais (F)	Nederlandsche Creditbank
	1990	National Westminster Bank (GB)	Van Lanschot Bankiers

Source : Financial Times 1992 and the Banker October 1995

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

References

ABRAHAM, J.P. and F. LIEFERMAN (1993): *Internal Restructuring in Belgian Banks*, Working Paper Institute of European Finance, Brussels, Research Paper Series, January, 93/17.

ABRAHAM, J.P. and F. LIEFERMAN (1990): "European Banking Strategies in the Nineties: A Supply Side Approach", *Revue de la Banque*, August 1990, pp. 415-36.

AOKI, M., HUGH, P. and P. SHEARD (1994): *The Japanese Main Bank System: An Introductory Overview*, Working Paper World Bank, Washington, n° 94-2.

AOKI, M., BO, G. and O. WILLIAMSON (eds) (1990): *The Firm as a Nexus of Treaties* London, Sage.

AOKI, M. (ed.) (1984): *The Economic Analysis of the Japanese Firm*, North Holland.

ARESTIS, P. (1993): *Money and Banking Issues for the Twenty First Century: Essays in Honour of Stephen F. Frowen*, London, Saint Martin's Press.

BAGLIONI, A. (1993): *Banca Universale, Gruppo Polifunzionale, Banca Mista: Una Rassegna della Letteratura*, Working Paper, Banca Commerciale Italiana, Collana Ricerche 93/8.

BERNANKE, B. (1983): "Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression", *American Economic Review*, vol. 78, pp. 257-76.

BERNANKE, B. (1986): *Alternative Explanations of the Money-Income Correlation* Carnegie-Rochester Conference Series on Public Policy, vol. 25, pp. 49-100.

BERNANKE, B., M. GERTLER and S. GILCHRIST (1994): *The Financial Accelerator and the Flight to Quality*, NBER Working Paper, n° 4789.

CABLE, J. (1985): "Capital Market Information and Industrial Performance: The Role of West German Banks", *Economic Journal*, 95, pp. 118-32.

CANALS, J. (1993): *Competitive Strategies in European Banking*, Oxford, Clarendon Press.

COLIN, R. (1987): "Portugal: le poids du passé et l'ouverture sur l'Europe", *Revue de l'OFCE*, Janvier, pp. 5-80.

CUERVO, A. (1988): *La Crisis Bancaria en Espana 1977-1985: Causas, Sistemas de Tratamiento y Coste*, Ariel, Madrid.

DALE, R. (1984): *The Regulation of International Banking,* Woodhead Faulkner, Cambridge.

DE BEAUFORT, J.O., SYVESTER, C.W.E. and L.H. HOOGDUIN (eds) (1994): *A Framework for Monetary Stability*, Kluwer Academic Publishers, Dordrecht.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

DERMINE, J. (1993): *European Banking in 1990s*, Second Edition, Blackwell Business, Oxford.

DESHONS, M.and X. FREIXAS (1987): "Le rôle de la garantie dans le contrat de prêt bancaire", *Revue Finance*, juin, pp. 7-32.

DIAMOND, D. (1984): "Fiancial Intermediation and Delegated Monitoring", *Review of Economic Studies*, vol. 51, pp. 393-414.

DIXON, R. (1991): *Banking in Europe: The Single Market*, London, Routledge.

DOWNES, P. and R. VAEZ-ZADEH (eds) (1991): *The Role of an Independent Central Bank in Europe*, Washington, IMF.

EDWARDS, J. and K. FISHER (1993): *Banks, Finance and Investment in Germany*, Cambridge University Press, Cambridge.

FAIR, D.E. and C. de BOISSIEU (1990): *Financial Institutions in Europe under New Competitive Condition*, Kluwer Academic Publishers, Dordrecht.

FOLKERTS-LANDAU, D. and P.M. GARBER (1992): *The European Central Bank: A Bank or A Monetary Policy Rule?*, Working Paper NBER, n° 4016.

GALE, D.and M. HELLWIG, (1985): "Incentive Compatible Debt Contracts: The One Period Problem", *Review of Economic Studies*, LII, pp. 647-63.

GARDENER, E.P.M. (1989): *European Financial Supermarkets: Prospects and Problems*, Working Paper, Centre for European Policy Studies, Brussels, 12.

GARDENER, E.P.M. and P. MOLYNEUX (1990): *Changes in Western European Banking*, London, Unwin Hyman.

GIBSON, H.D. and E. TSAKALOTOS (1992): *European Integration and the Banking Sector in Southern Europe: Competition, Efficiency and Structure*, KEIMENA Working Paper, 12.

GOODHART, C.A.E. (1995): *The Central Bank and the Financial System*, MIT Press.

GOODHART, C.A.E. (1992): "A European Central Bank" in A. Mullineux (ed.) *European Banking*, Oxford, Blackwell, pp. 12-43.

GOODHART, C.A.E. (1985): *The Evolution of Central Banks*, London School of Economics and Political Sciences, Mimeo.

GUAL, J. and D. NEVEN (1992): *Deregulation of the European Banking Industry (1980-1991)*, Working Paper Centre for European Policy Studies, Brussels

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

KATSIOUPIS , P. (1988): *Die Integration des Griechischen Bankensystems in der EG*, Frankfurt am Main, Lang.

KATZ, E.S. (1992): *The Second Banking Directive and the General Clause: A Major Exception to the Freedom to Provide Services ?*, Working Paper, Centre for European Policy Studies, Brussels.

KREGEL, J. (1992): "Universal Banking, US Banking Reform and Financial Competition in the EEC", *Quarterly Review*, n° 182, pp. 231-53.

LAFFONT, J.J.and X. FREIXAS (1988): *Contrats bancaires optimaux*, GREMAQ Toulouse

LEMAIRE, J.P. and P.B. RUFFINI (1993): *Vers l'Europe bancaire*, Paris, Dunod.

LUBATTI, G., F. NATALI and M. VIGORELLI (1994): *Banche e Finanza in Un 'Europa Integrata: Una Previsione Strategica*, Milano, Einaudi.

LYCK, L. (1990): *The Nordic Countries and the Internal Market of the EEC*, Handelshojskolens Forlag Nyt Nordisk Forlag Arnold Busch Denmark.

MELITZ, J. (1993): *Reflections on the Emergence of a Single Market for Bank Reserves in a European Monetary Union*", Working Paper INSEE, n° 818.

MULDUR, U., J. PACOLET and M. SASSENOU (1989): "Structure des coûts et efficacité des banques françaises", *Analyse Financière*, pp. 4-55.

MULDUR, U. and J. PACOLET (1990): *Economies of Scale in European Financial Institutions*, Paper presented for the symposium on the New European Financial Market Place, Brussels, Centre for European Policy Studies.

PRAIS, S.J. (1981): *The Evolution of Giants Firms in Britain: A Study of the Growth in Manufacturing Industry in Britain 1909-70*, Cambridge, Cambridge University Press, (Second Edition).

PORTA, A. (ed.) (1990): *The Separation of Industry and Finance and the Specialization of Financial Institutions*, EGEA.

POZDENA, R. and V. ALEXANDER (1992): "Bank Structure in West Germany" in *Banking Structures in Major Countries*, Boston, Kluwer Academic Publishers.

RICH, G. and C. WALTER (1993): "The Future of Universal Banking", *Cato Journal*, 13, n° 2, pp. 289-313.

RODRIGUEZ, ANTON J.M. (1990): *La Banca en Espana: Un Reto para 1992*, Madrid, Piramide.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository. © The Author(s). European University Institute.

ROHLWINK, A. (1987): "Is this the Age of the Universal Bank ?", *The Banker*, January, pp. 23-9.

STEINHERR, A. and P.L. GILIBERT (1989): *The Impact of Financial Market Integration on the European Banking Industry*, Working Paper, Brussels, Centre for European Policy Studies.

STEINHERR, A. and C. HUVENEERS (1990): *Universal Banks: The Prototype of Successful Banks in the Integrated European Market? A View Inspired by German Experience*, Working Paper, Brussels, Centre for European Policy Studies.

STEINHERR, A. and C. HUVENEERS (1992a): *On the Performance of Differently Regulated Financial Insitutions: Some Empirical Evidence*, Working Paper, Brussels, Centre for European Policy Studies, 12.

STEINHERR, A. and C. HUVENEERS (1992b): "Universal Banking in the Integrated European Market Place", in Alfred Steinherr (ed.) *The New European Financial Market Place*, London, Longmann, pp. 49-65.

STIGLITZ, J.E. (1985): "Credit Markets and the Control of Capital", *Journal of Money, Credit and Banking*, 17, pp. 133-52.

STIGLITZ, J.E. and A. WEISS (1988): *Banks as Social Accountants and Screening Devices for the Allocation of Credit*, NBER Working Paper n° 2710.

STIGLITZ, J.E. and A. WEISS (1981): "Credit Rationing in Markets With Imperfect Information", *American Economic Review*, 71, pp. 393-410.

TOWNSEND, R. (1983a): "Financial Structure and Economic Activity", *American Economic Review*, vol. 73, pp. 895-911.

TOWNSEND, R. (1983b): *Theories of Intermediated Structures*, Carnegie-Rochester Series on Public Policy, vol. 18, pp. 221-72.

THYGESEN, N. (1989): *The Delors Report and European Economic and Monetary Union*, Working Paper, London School of Economic, Financial Market Group.

VERHEIRSTRAETEN, A. (ed.) (1981): *Competition and Regulation in Financial Markets*, Mac Millan Press LTD.

VIVES, X. (1993): "The Supervisory Function of the European System of Central Banks", in Fanco Bruni (ed.) *Prudential Regulation, Supervision and Monetary Policy: Theory, International Comparison and the ESCB Role*, Proceedings of the Conference organized by the "Paolo Baffi" Centre for Monetary and Financial Economics, held at the Bocconi University Milan February 5th 1993.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

VIVES, X. and J. GUAL (1992): *Concentraciòn Empresarial y Competitividad: Espana en la CEE*, Madrid, Ariel Economia FEDEA.

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

EUI WORKING PAPERS

EUI Working Papers are published and distributed by the
European University Institute, Florence

Copies can be obtained free of charge
– depending on the availability of stocks – from:

The Publications Officer
European University Institute
Badia Fiesolana
I-50016 San Domenico di Fiesole (FI)
Italy

Please use order form overleaf

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

Publications of the European University Institute

To The Publications Officer
European University Institute
Badia Fiesolana
I-50016 San Domenico di Fiesole (FI) – Italy
Telefax No: +39/55/4685 636
E-mail: publish@datacomm.iue.it

From Name ....
Address. ....
....
....
....
....

❐ Please send me a complete list of EUI Working Papers
❐ Please send me a complete list of EUI book publications
❐ Please send me the EUI brochure Academic Year 1997/98

Please send me the following EUI Working Paper(s):

No, Author ....
Title: ....
No, Author ....
Title: ....
No, Author ....
Title: ....
No, Author ....
Title: ....

Date ....

Signature ....

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

Working Papers of the Robert Schuman Centre

RSC No. 94/1
Fritz W. SCHARPF
Community and Autonomy Multilevel Policy-Making in the European Union *

RSC No. 94/2
Paul McALEAVEY
The Political Logic of the European Community Structural Funds Budget: Lobbying Efforts by Declining Industrial Regions *

RSC No. 94/3
Toshihiro HORIUCHI
Japanese Public Policy for Cooperative Supply of Credit Guarantee to Small Firms - Its Evolution Since the Post War and Banks' Commitment

RSC No. 94/4
Thomas CHRISTIANSEN
European Integration Between Political Science and International Relations Theory: The End of Sovereignty *

RSC No. 94/5
Stefaan DE RYNCK
The Europeanization of Regional Development Policies in the Flemish Region

RSC No. 94/6
Enrique ALBEROLA ILA
Convergence Bands: A Proposal to Reform the EMS in the Transition to a Common Currency

RSC No. 94/7
Rosalyn HIGGINS
The EC and the New United Nations

RSC No. 94/8
Sidney TARROW
Social Movements in Europe: Movement Society or Europeanization of Conflict?

RSC No. 94/9
Vojin DIMITRIJEVIC
The 1974 Constitution as a Factor in the Collapse of Yugoslavia or as a Sign of Decaying Totalitarianism

RSC No. 94/10
Susan STRANGE
European Business in Japan: A Policy Crossroads?

RSC No. 94/11
Milica UVALIC
Privatization in Disintegrating East European States: The Case of Former Yugoslavia

RSC No. 94/12
Alberto CHILOSI
Property and Management Privatization in Eastern European Transition: Economic Consequences of Alternative Privatization Processes

RSC No. 94/13
Richard SINNOTT
Integration Theory, Subsidiarity and the Internationalisation of Issues: The Implications for Legitimacy *

RSC No. 94/14
Simon JOHNSON/Heidi KROLL
Complementarities, Managers and Mass Privatization Programs after Communism

RSC No. 94/15
Renzo DAVIDDI
Privatization in the Transition to a Market Economy

RSC No. 94/16
Alberto BACCINI
Industrial Organization and the Financing of Small Firms: The Case of MagneTek

RSC No. 94/17
Jonathan GOLUB
The Pivotal Role of British Sovereignty in EC Environmental Policy

RSC No. 94/18
Peter Viggo JAKOBSEN
Multilateralism Matters but How? The Impact of Multilateralism on Great Power Policy Towards the Break-up of Yugoslavia

*out of print

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

RSC No. 94/19
Andrea BOSCO
A 'Federator' for Europe: Altiero Spinelli and the Constituent Role of the European Parliament

RSC No. 94/20
Johnny LAURSEN
Blueprints of Nordic Integration. Dynamics and Institutions in Nordic Cooperation, 1945-72

❊❊❊

RSC No. 95/1
Giandomenico MAJONE
Mutual Trust, Credible Commitments and the Evolution of Rules for a Single European Market

RSC No. 95/2
Ute COLLIER
Electricity Privatisation and Environmental Policy in the UK: Some Lessons for the Rest of Europe

RSC No. 95/3
Giuliana GEMELLI
American Influence on European Management Education: The Role of the Ford Foundation

RSC No. 95/4
Renaud DEHOUSSE
Institutional Reform in the European Community: Are there Alternatives to the Majoritarian Avenue? *

RSC No. 95/5
Vivien A. SCHMIDT
The New World Order, Incorporated: The Rise of Business and the Decline of the Nation-State

RSC No. 95/6
Liesbet HOOGHE
Subnational Mobilisation in the European Union

RSC No. 95/7
Gary MARKS/Liesbet HOOGHE/Kermit BLANK
European Integration and the State *

RSC No. 95/8
Sonia LUCARELLI
The International Community and the Yugoslav Crisis: A Chronology of Events *

RSC No. 95/9
A Constitution for the European Union?
Proceedings of a Conference, 12-13 May 1994, Organized by the Robert Schuman Centre with the Patronage of the European Parliament *

RSC No. 95/10
Martin RHODES
'Subversive Liberalism': Market Integration, Globalisation and the European Welfare State

RSC No. 95/11
Joseph H.H. WEILER/ Ulrich HALTERN/ Franz MAYER
European Democracy and its Critique - Five Uneasy Pieces

RSC No. 95/12
Richard ROSE/Christian HAERPFER
Democracy and Enlarging the European Union Eastward

RSC No. 95/13
Donatella DELLA PORTA
Social Movements and the State: Thoughts on the Policing of Protest

RSC No. 95/14
Patrick A. MC CARTHY/Aris ALEXOPOULOS
Theory Synthesis in IR - Problems & Possibilities

RSC No. 95/15
Denise R. OSBORN
Crime and the UK Economy

RSC No. 95/16
Jérôme HENRY/Jens WEIDMANN
The French-German Interest Rate Differential since German Unification: The Impact of the 1992-1993 EMS Crises

RSC No. 95/17
Giorgia GIOVANNETTI/Ramon MARIMON
A Monetary Union for a Heterogeneous Europe

RSC No. 95/18
Bernhard WINKLER
Towards a Strategic View on EMU - A Critical Survey

*out of print

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

RSC No. 95/19
Joseph H.H. WEILER
The State "über alles"
Demos, Telos and the German Maastricht Decision

RSC No. 95/20
Marc E. SMYRL
From Regional Policy Communities to European Networks: Inter-regional Divergence in the Implementation of EC Regional Policy in France

RSC No. 95/21
Claus-Dieter EHLERMANN
Increased Differentiation or Stronger Uniformity

RSC No. 95/22
Emile NOËL
La conférence intergouvernementale de 1996
Vers un nouvel ordre institutionnel

RSC No. 95/23
Jo SHAW
European Union Legal Studies in Crisis?
Towards a New Dynamic

RSC No. 95/24
Hervé BRIBOSIA
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on Belgium

RSC No. 95/25
Juliane KOKOTT
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on Germany

RSC No. 95/26
Monica CLAES/Bruno DE WITTE
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on the Netherlands

RSC No. 95/27
Karen ALTER
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Explaining National Court Acceptance of European Court Jurisprudence: A Critical Evaluation of Theories of Legal Integration

RSC No. 95/28
Jens PLÖTNER
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on France

RSC No. 95/29
P.P. CRAIG
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on the United Kingdom

RSC No. 95/30
Francesco P. RUGGERI LADERCHI
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on Italy

RSC No. 95/31
Henri ETIENNE
The European Court and National Courts - Doctrine and Jurisprudence: Legal Change in its Social Context
Report on Luxembourg

RSC No. 95/32
Philippe A. WEBER-PANARIELLO
The Integration of Matters of Justice and Home Affairs into Title VI of the Treaty on European Union: A Step Towards more Democracy?

RSC No. 95/33
Debra MATIER
Data, Information, Evidence and Rhetoric in the Environmental Policy Process:
The Case of Solid Waste Management

RSC No. 95/34
Michael J. ARTIS
Currency Substitution in European Financial Markets

RSC No. 95/35
Christopher TAYLOR
Exchange Rate Arrangements for a Multi-Speed Europe

RSC No. 95/36
Iver B. NEUMANN
Collective Identity Formation: Self and Other in International Relations

*out of print

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

RSC No. 95/37
Sonia LUCARELLI
The European Response to the Yugoslav Crisis: Story of a Two-Level Constraint

RSC No. 95/38
Alec STONE SWEET
Constitutional Dialogues in the European Community

RSC No. 95/39
Thomas GEHRING
Integrating Integration Theory: Neofunctionalism and International Regimes

RSC No. 95/40
David COBHAM
The UK's Search for a Monetary Policy: In and Out of the ERM

* * *

RSC No. 96/1
Ute COLLIER
Implementing a Climate Change Strategy in the European Union: Obstacles and Opportunities

RSC No. 96/2
Jonathan GOLUB
Sovereignty and Subsidiarity in EU Environmental Policy

RSC No. 96/3
Jonathan GOLUB
State Power and Institutional Influence in European Integration: Lessons from the Packaging Waste Directive

RSC No. 96/4
Renaud DEHOUSSSE
Intégration ou désintégration? Cinq thèses sur l'incidence de l'intégration européenne sur les structures étatiques

RSC No. 96/5
Jens RASMUSSEN
Integrating Scientific Expertise into Regulatory Decision-Making.
Risk Management Issues - Doing Things Safely with Words: Rules and Laws

RSC No. 96/6
Olivier GODARD
Integrating Scientific Expertise into Regulatory Decision-Making.
Social Decision-Making under Conditions of Scientific Controversy, Expertise and the Precautionary Principle

RSC No. 96/7
Robert HANKIN
Integrating Scientific Expertise into Regulatory Decision-Making.
The Cases of Food and Pharmaceuticals

RSC No. 96/8
Ernesto PREVIDI
Integrating Scientific Expertise into Regulatory Decision-Making.
L'organisation des responsabilités publiques et privées dans la régulation européenne des risques: un vide institutionnel entre les deux?

RSC No. 96/9
Josef FALKE
Integrating Scientific Expertise into Regulatory Decision-Making.
The Role of Non-governmental Standardization Organizations in the Regulation of Risks to Health and the Environment

RSC No. 96/10
Christian JOERGES
Integrating Scientific Expertise into Regulatory Decision-Making.
Scientific Expertise in Social Regulation and the European Court of Justice: Legal Frameworks for Denationalized Governance Structures

RSC No. 96/11
Martin SHAPIRO
Integrating Scientific Expertise into Regulatory Decision-Making.
The Frontiers of Science Doctrine: American Experiences with the Judicial Control of Science-Based Decision-Making

RSC No. 96/12
Gianna BOERO/Giuseppe TULLIO
Currency Substitution and the Stability of the German Demand for Money Function Before and After the Fall of the Berlin Wall

*out of print

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

RSC No. 96/13
Riccardo MARSELLI/Marco VANNINI
Estimating the Economic Model of Crime in the Presence of Organised Crime: Evidence from Italy

RSC No. 96/14
Paul DE GRAUWE
The Economics of Convergence Towards Monetary Union in Europe

RSC No. 96/15
Daniel GROS
A Reconsideration of the Cost of EMU
The Importance of External Shocks and Labour Mobility

RSC No. 96/16
Pierre LASCOUMES/Jérôme VALLUY
Les activités publiques conventionnelles (APC): un nouvel instrument de politique publique? L'exemple de la protection de l'environnement industriel

RSC No. 96/17
Sharmila REGE
Caste and Gender: The Violence Against Women in India

RSC No. 96/18
Louis CHARPENTIER
L'arrêt "Kalanke", expression du discours dualiste de l'égalité

RSC No. 96/19
Jean BLONDEL/Richard SINNOTT/Palle SVENSSON
Institutions and Attitudes: Towards an Understanding of the Problem of Low Turnout in the European Parliament Elections of 1994

RSC No. 96/20
Keith BLACKBURN/Lill HANSEN
Public Policy and Economic Growth in an Imperfectly Competitive World of Interdependent Economies

RSC No. 96/21
John ARROWSMITH
Pitfalls on the Path to a Single European Currency

RSC No. 96/22
Roel M.W.J. BEETSMA/A. Lans BOVENBERG
Does Monetary Unification Lead to Excessive Debt Accumulation?

RSC No. 96/23
Margaret LEVI
A State of Trust

RSC No. 96/24
Lorenzo BINI SMAGHI
How Can the ECB be Credible?

RSC No. 96/25
Olivier FILLIEULE
Police Records and the National Press in France. Issues in the Methodology of Data-Collection from Newspapers

RSC No. 96/26
Peter H. SCHUCK
The Re-evaluation of American Citizenship

RSC No. 96/27
Peter ROBINSON
The Role and Limits of Active Labour Market Policy

RSC No. 96/28
Sasha BAILLIE
The Seat of the European Institutions: An Example of Small State Influence in European Decision-making

RSC No. 96/29
Neil WINN
The Limits of International Organisation Leadership? European Crisis Management in the 1980s and the Inherent Tension Between Bilateralism and Collectivism

RSC No. 96/30
Paul ORMEROD
Unemployment: A Distributional Phenomenon

RSC No. 96/31
Marlene WIND
Europe Towards a Post-Hobbesian Order? A Constructivist Theory of European Integration (Or how to explain European Integration as an unintended consequence of rational state-action)

RSC No. 96/32
Marlene WIND
Rediscovering Institutions: A Reflectivist Critique of Rational Institutionalism

RSC No. 96/33
Evelyne RITAINE
Hypothèses pour le sud de l'Europe: territoires et médiations

*out of print

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

RSC No. 96/34
Ever B. NEUMANN
Russia as Europe's Other

RSC No. 96/35
Lars LJUNGQVIST/Thomas J. SARGENT
The European Unemployment Dilemma

RSC No. 96/36
Maurizio FERRERA
A New Social Contract?
The Four Social Europes: Between Universalism and Selectivity

RSC No. 96/37
Serge PAUGAM
A New Social Contract?
Poverty and Social Exclusion: A Sociological View

RSC No. 96/38
Sophie BODY-GENDROT
A New Social Contract?
Le traitement de l'intégration et de la marginalisation culturelle en France

RSC No. 96/39
Paul ORMEROD
A New Social Contract?
Unemployment in Europe

RSC No. 96/40
Karel VAN DEN BOSCH
A New Social Contract?
Trends in Financial Poverty in Western European Countries

RSC No. 96/41
Giovanna PROCACCI
A New Social Contract?
Against Exclusion: The Poor and the Social Sciences

RSC No. 96/42
Ulrike GÖTTING
A New Social Contract?
In Defence of Welfare: Social Protection and Social Reform in Eastern Europe

RSC No. 96/43
Martin RHODES
A New Social Contract?
Globalisation and West European Welfare States

RSC No. 96/44
Fritz SCHARPF
A New Social Contract?
Negative and Positive Integration in the Political Economy of European Welfare States

RSC No. 96/45
Bob DEACON
A New Social Contract?
Global and Regional Agencies and the Making of Post-Communist Social Policy in Eastern Europe

RSC No. 96/46
Colin CROUCH
A New Social Contract?
The Social Contract and the Problem of the Firm

RSC No. 96/47
Bill JORDAN
A New Social Contract?
European Social Citizenship: Why a New Social Contract Will (Probably) Not Happen

RSC No. 96/48
Carlos CLOSA
A New Social Contract?
EU Citizenship as the Institutional Basis of a New Social Contract: Some Sceptical Remarks

RSC No. 96/49
Alexander KREHER
The New European Agencies
Conference Report

RSC No. 96/50
Karl-Heinz LADEUR
The New European Agencies
The European Environment Agency and Prospects for a European Network of Environmental Administrations

RSC No. 96/51
Rod A. W. RHODES
The New European Agencies
Agencies in British Government: Revolution or Evolution?

RSC No. 96/52
Jonathan GOLUB
Why Did They Sign? Explaining EC Environmental Policy Bargaining

*out of print

Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.
© The Author(s). European University Institute.

RSC No. 96/53
Thomas CHRISTIANSEN
Reconstructing European Space: From Territorial Politics to Multilevel Governance

RSC No. 96/54
Elisabeth PAULET
Universal Banks and the European Banking System: Prospects and Problems

***out of print**

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.

© The Author(s). European University Institute.
Digitised version produced by the EUI Library in 2020. Available Open Access on Cadmus, European University Institute Research Repository.