Systemic importance within the European Banking Union: A cultural political economy approach towards a critique of too big to fail.

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Résumé

Over ten years ago, numerous banking institutions have been rescued by states due to the *too big to fail* doctrine. In the aftermath of these uncoordinated and ad hoc interventions, state debt-levels reached new peaks especially in some Euro-countries. Since then, in order to avoid moral hazard and rising state debt, macroprudential financial regulation is focusing on systemic importance/risk as an attribute of single financial institutions which simply has to be measured. For this purpose, supervisory bodies like Financial Stability Board or European Banking Union strongly rely on a definition of systemically important financial institutions (SIFIs), wherefore some criteria like size, complexity or substitutability are matched to a bench-marking of systemic importance which is suggesting an objectivity of systemic risk. In the Euro-area, new rules regarding supervision and resolution are adopted to minimize public risks in cases of failing or like to fail banks. Hence, even SIFIs are to be treated under the recent paradigm of bail-in instead of bail-out: shareholder, bondholder and if necessary (wealthy) depositors are to bear the costs and not anymore the taxpayer. According to most literature of economics and political economy, the Banking Union poses an improvement of financial regulation in favor of public money. But contrary to this estimation, state funds are again used to recover domestic banks against the proclaimed intention of the new regulation – still within the scope of the Banking Union. Whereas the Italian Monte dei Paschi (2016) was rescued because of its status as SIFI as a "matter of public interest", Banca Populare di Vicenza and Veneto Banco (2017) could only receive public funds because Italy denied their nature as SIFIs and consequently avoided the stricter European regulation. Thus, we need a critical approach towards systemic importance taking into account that it is not possible to define a specific bank as SIFI without further analysis of social power relations and the purpose of the definition itself including the final rating decisions. It's rather the question of whether banks can (not) establish themselves as systemic and how they accomplish it. Therefore, I want to present first results of a cultural political economy inspired study of the *too big to fail* dilemma which is investigating the discursive modus of the generalization of particular needs based on the first implementations of (non-)resolution decisions within the Banking Union.

Mots-Clés: financial crisis, too big to fail, SIFIs, Banking Union

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