
Debunking EU narratives on the need for Capital Markets Union to finance growth and increase stability

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Abstract

In 2015 the European Commission launched the Capital Markets Union (CMU) project in order to tackle the so-called investment gap. The stated aim of CMU is to further integrate capital markets so as to "unlock funding" for economic growth, through the mobilization and channelling of capital to enterprises and individuals. Furthermore, it is claimed that by diversifying funding sources of the EU economy, the financial system will be made more stable in general, as well as more resilient during potential future crises. I seek to show how these narratives were created in the face of continuous recession in the EU and debunk some of the main arguments, particularly those concerning growth and stability.

Keywords: EU, finance, financialization, capital markets, narratives, crisis

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