

SUMMARY FOR

THE IMPACT OF THE ECONOMIC INTEGRATION IN THE EUROPEAN UNION ON INITIAL PUBLIC OFFERING ACTIVITY

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Economic Integration has been one of the major guarantors of European economic and political success since the end of the Second World War. This Economic Integration is closely connected with Political Integration. Guided by the European Union, as well as by the Unions predecessor organizations, a gradual process of Economic Integration lead to the creation of a Common Market, and even a Common Currency. The impact that this development had on peace, political stability, and the abolishment of borders seems obvious. The European Union occupies consequently a major part in the life of its citizens. It is therefore of utmost importance, to assess the impact it has on other aspects. This dissertation studies the Impact of Economic Integration in the European Union on Initial Public Offerings. This has, to the best of my knowledge, not yet been done.

Economic Integration as it progressed, between severing States, is unprecedentedly strong in the European Union. The Union is therefore, besides its general relevance, an optimal object of study in respect to Economic Integration.

This dissertation proceeds as follows. First, a literature review on Initial Public Offering activity and on Economic Integration examines the current state of study. After that, the theories of both fields are elaborated on. This is followed by the provision of a European context to those theories. The Hypotheses to the research question are developed subsequently based on the information gathered prior. A description of the data and methodology follows. The actual analysis is then conducted using a Linear Mixed Model. The dissertation ends with a discussion and conclusion.

The study hypothesizes that Economic Integration in the European Union, identified by

1. a country joining the European Union,
2. a country adopting the Euro as its currency,
3. a country joining the Schengen-Area,

leads to a significant increase in IPO activity in that country.

The analysis is based on a panel data set for all 28 EU member states, from January 1st, 1989 to December 31st, 2018. Results of ten Mixed Linear Models suggest that Economic Integration in the EU, in form of joining the Union, has a positive impact on IPO activity. The impact of adopting the Common Currency and joining the Schengen-Area was not supported by the results.