Abstract

The financial sector is one of the basic pillars of any functioningeconomy, and through its functions, it is supposed to act as its servant. Globalization, liberalization and deregulation of capital flows started in the 1970s led to the increased development of financial marketsin the US, and then in other highly developed economies, which was termed financialization. Financialization is a process as a result of which the importance of the financial sector and entities operating in it grow. Due to its multifaceted nature, it caused a number of social and economic changes in the functioning of economic entities, the public sphere, and the entire economy. The lack of consensus on the direction of its impact on macroeconomic stability and economic growth is the reason why this issue has been discussed in this doctoral thesis.

The aim of the research was to identify and assess the impact of the financialization process on macroeconomic stability and economic growth of the European Union countries. The basis for this assessment was the analysis of the relationships between the variables characterizing the financialization process, macroeconomic stability and economic growth using panel regression. The application of the research was an attempt to formulate recommendations for fiscal and monetary policy as well as financial market supervision.

The obtained research results allowed to confirm the hypotheses. The financialization process developed in the EU countries, but its scale and manifestations varried between the countries of the "old" and "new" Union. Individual manifestations of this process had a significant impact on macroeconomic stability and economic growth, but the direction of their impact was different. Among the variables that had a positive impact on macroeconomic stability and economic growth, the following can be mentioned: income from taxes on production and imports (as % of GDP), share of commission income and fees resulting from banking activity and ROE in the banking sector. On the other hand, the share of the value added of the FIRE sector in the value added of the economy, expenditure on social protection (as % of GDP) and household debt (as% of GDP) were the variables negatively influencing macroeconomic stability and economic growth. Taking into account the research results, recommendations were formulated for fiscal and monetary policy as well as financial market supervision.