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**Integration and Convergence of  
Financial Markets  
in the European Union**

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# **Integration and Convergence of Financial Markets in the European Union**

## **ABSTRACT**

The extent of financial integration within the European Union is a debated issue, and there is a presumption that some countries have made relatively less progress on this front. In this paper, the countries in the union are ranked in terms of the degree of financial integration using various measures, including comprehensive Euler-type tests. A distinction is made between regional and global integration. It is seen that the core EU nations are integrated within the EU, but loosely globally, while the opposite holds true of the United Kingdom. Smaller, highly advanced economies such as Sweden are integrated well regionally as well as globally.