



Leibniz Institute for Financial Research SAFE  
Sustainable Architecture for Finance in Europe (<https://safe-frankfurt.de/>)

## SAFE Finance Blog

### The Importance and Potentials of Micro Data Analysis

---

02/15/2018

Loriana Pelizzon explains why data transparency is crucial for financial stability in the EU



The list of potential benefits of a better access to financial market data for academics is long: clarifying risk exposures for regulators and the public; increasing the circle of “investigators” of central regulatory databases; utilizing the perspective and knowledge of distinguished scholars; shifting the economic research focus on European issues, institutions and markets; enhancing the information basis of European

policy and regulatory decision making; improving the quality and policy-focus of finance research in Europe; providing more opportunities for interaction between European academics and policymakers; facilitating financial stability.

Even if these advantages are nowadays widely accepted, also among European policy makers and regulators, and despite some gratifying developments in this area, European institutions are still lacking behind the US when it comes to the provision of financial market data to academics. This constitutes one of the main reasons why most empirical financial market research, even in Europe, solely builds upon the analysis of US data. The bias towards the use of US data leads to the issue that many important policy decisions are based only on, or are at least greatly influenced by, US empirical evidence. Despite being helpful to better understand some important mechanisms of financial markets, the regulatory and policy implications of these studies can be misleading as European issues, institutions and markets are different in many ways.

For this reason, European policy makers would do well to follow the US example and promote financial data transparency to “free” academic consultants, particularly on the micro level. For most cases, relevant data is already collected (at least on the national level), but just not made available to academics. In an attempt to find the underlying reasons, we fail to identify peculiarities of European financial markets compared to the US that would prohibit a similar micro data transparency. It rather seems that bureaucratic inertia, lacking cross-border communication and collaboration, as well as a subliminal skepticism towards academics are among the main factors that contribute to the current lack of micro data transparency. Overcoming these obstacles could foster financial stability in Europe and assure level playing fields with US regulators and policymakers.

Five different types of micro data are particularly important to consider: i) bank balance sheet data, ii) asset portfolio data, iii) market transaction data, iv) market high frequency data, v) central bank data. These data are on the one hand crucial for monitoring (systemic) risk in the financial system, identifying and understanding inter-linkages in financial markets, and thus having important signaling effects for policymakers and regulatory authorities. On the other hand, enhancements in data transparency can be achieved at comparably low costs in these cases and without harming the data privacy of financial market players.

*Loriana Pelizzon (<http://safe-frankfurt.de/research/researchers/researchers-details/showauthor/82-pelizzon.html>) is SAFE Professor of Law and Finance at Goethe University Frankfurt and Program Director of the SAFE Systemic Risk Lab*

### **More on this Topic:**

Kasinger, J. and L. Pelizzon (2018): Financial Stability in the EU: A Case for Micro Data Transparency (<http://safe-frankfurt.de/policy-center/policy-publications/policy-publ-detailsview/publicationname/financial-stability-in-the-eu-a-case-for-micro-data-transparency.html>), SAFE Policy Letter No. 67.

Keywords: Financial Markets ([https://safe-frankfurt.de/news-latest/safe-finance-blog/search-result-blog.html?](https://safe-frankfurt.de/news-latest/safe-finance-blog/search-result-blog.html?tx_news_pi1%5BoverwriteDemand%5D%5Bcategories%5D=181&cHash=84faeb163d529c1d1097a1382efc4c)  
<https://safe-frankfurt.de/news-latest/safe-finance-blog/tag/financial-stability.html>),  
Systemic Risk (<https://safe-frankfurt.de/news-latest/safe-finance-blog/tag/systemic-risk.html>)



---

**[Back \(https://safe-frankfurt.de/news-latest/safe-finance-blog.html\)](https://safe-frankfurt.de/news-latest/safe-finance-blog.html)**


## Comments

..

**Name \*****Email \*****Comment \***

\* These fields are required.

**Want to get regular updates?**

 [Subscribe to the Finance Blog RSS feed \(http://safe-frankfurt.de/home/rss-policyblog.xml\)](http://safe-frankfurt.de/home/rss-policyblog.xml)

 [Follow us on Twitter \(https://twitter.com/SAFE\\_Frankfurt\)](https://twitter.com/SAFE_Frankfurt)

Enter your email address to get regular blog updates.

\* Please read our data protection statement (<https://safe-frankfurt.de/about-safe/data-protection.html>)(pdf version ([https://safe-frankfurt.de/fileadmin/user\\_upload/editor\\_common/Files/Data\\_Protection\\_Statement\\_10Jan2020.pdf](https://safe-frankfurt.de/fileadmin/user_upload/editor_common/Files/Data_Protection_Statement_10Jan2020.pdf)))

**I agree to the data protection statement.\***

Subscribe

**RECENT POLICY PUBLICATIONS**

Apr 2020

**Corona-Bonds und ihre Alternativen (<https://safe-frankfurt.de/policy-center/policy-publications/policy-publicationdetailsview/publicationname/corona-bonds-und-ihre-alternativen.html>)**

Marcel Thum, ([https://tu-dresden.de/cdd/leitung\\_und\\_beteiligte/mitglieder/lebensraum-und-infrastruktur/Thum](https://tu-dresden.de/cdd/leitung_und_beteiligte/mitglieder/lebensraum-und-infrastruktur/Thum)) Alfons J. Weichenrieder (<https://safe-frankfurt.de/research/researchers/researchers-details/showauthor/52-weichenrieder.html>)

Apr 2020

### **The Case for Corona Bonds (<https://safe-frankfurt.de/policy-center/policy-publications/policy-publ-detailsview/publicationname/the-case-for-corona-bonds.html>)**

Matej Avbelj, (<https://www.eui.eu/DepartmentsAndCentres/Law/People/Fellows/BBF/Matej-Avbelj>) Antonia Baraggia, (<https://www.mmg.mpg.de/person/99018/2553>) Jürgen Bast, ([https://www.uni-giessen.de/fbz/fb01/professuren-forschung/professuren/bast/team/prof\\_leitung](https://www.uni-giessen.de/fbz/fb01/professuren-forschung/professuren/bast/team/prof_leitung)) Bojan Bugarič, (<https://www.sheffield.ac.uk/law/staff/bbugaric/index>) Emanuel Castellarin, (<https://unistra.academia.edu/EmanuelCastellarin>) Francesco Costamagna, (<https://www.law.georgetown.edu/ctls/staff/francesco-costamagna/>) Anuscheh Faraha, (<https://www.oer5.rw.fau.de/prof-dr-anuscheh-farahat/>) Matthias Goldmann, (<https://safe-frankfurt.de/research/researchers/researchers-details/showauthor/549-goldmann.html>) Anna-Katharina Mangold, (<https://www.europeanstudies.info/en/about-ma-eus/our-team/administrative-team/prof-dr-anna-katharina-mangold-ilm-cambridge/>) Mario Savino, (<https://unitus.academia.edu/MarioSavino>) Alexander Thiele, (<https://www.uni-goettingen.de/de/pd-dr-alexander-thiele/418590.html>) Annamaria Viterbo (<http://www.dg.unito.it/do/docenti.pl/Alias?anna.viterbo#profilo>)

Apr 2020

### **Emerging Evidence of a Silver Lining: A Ridge Walk to Avoid an Economic Catastrophe in Italy and Spain (<https://safe-frankfurt.de/policy-center/policy-publications/policy-publ-detailsview/publicationname/emerging-evidence-of-a-silver-lining-a-ridge-walk-to-avoid-an-economic-catastrophe-in-italy-and-spa.html>)**

Christopher Busch, (<https://safe-frankfurt.de/research/researchers/researchers-details/showauthor/468-busch.html>) Alexander Ludwig, (<https://safe-frankfurt.de/research/researchers/researchers-details/showauthor/112-ludwig.html>) Raül Santaaulàlia-Llopis (<https://www.barcelonagse.eu/people/santaaulalia-llopis-raul>)

**All Policy Publications (<https://safe-frankfurt.de/policy-center/policy-publications.html>)**

## Contact

### Leibniz Institute for Financial Research SAFE

Theodor-W.-Adorno-Platz 3  
60323 Frankfurt am Main

Phone: +49 69 798 30080  
Fax: +49 69 798 30077  
Email: [info@safe-frankfurt.de](mailto:info@safe-frankfurt.de)

Find the right contact person (<https://safe-frankfurt.de/about-safe/contact.html>)

 Follow us on Twitter ([https://twitter.com/SAFE\\_Frankfurt](https://twitter.com/SAFE_Frankfurt))

## SAFE →

- About SAFE (<https://safe-frankfurt.de/about-safe.html>)
- Job Offers (<https://safe-frankfurt.de/about-safe/career/job-offers.html>)
- How to find us (<https://safe-frankfurt.de/about-safe/how-to-find-us.html>)

## Policy Center →

- SAFE Senior Policy Fellows (<https://safe-frankfurt.de/policy-center/safe-senior-policy-fellows.html>)
- Policy Publications (<https://safe-frankfurt.de/policy-center/policy-publications.html>)

## Research →

- Research Departments (<https://safe-frankfurt.de/research/research-departments.html>)
- Researchers (<https://safe-frankfurt.de/research/researchers.html>)
- Data Center (<https://safe-frankfurt.de/data-center.html>)

## News & Events →

- All News (<https://safe-frankfurt.de/news-latest/all-news.html>)
- Newsletter (<https://safe-frankfurt.de/news-latest/newsletter.html>)

→ [SAFE Finance Blog \(https://safe-frankfurt.de/news-latest/safe-finance-blog.html\)](https://safe-frankfurt.de/news-latest/safe-finance-blog.html)

→ [Expert List \(https://safe-frankfurt.de/press/expert-list.html\)](https://safe-frankfurt.de/press/expert-list.html)

→ [Policy Center Team \(https://safe-frankfurt.de/policy-center/policy-center-team.html\)](https://safe-frankfurt.de/policy-center/policy-center-team.html)



**[Home \(https://safe-frankfurt.de/footer-menu/home.html\)](https://safe-frankfurt.de/footer-menu/home.html)** →

**[About this site \(https://safe-frankfurt.de/footer-menu/about-this-site.html\)](https://safe-frankfurt.de/footer-menu/about-this-site.html)** →

**[Data Protection \(https://safe-frankfurt.de/footer-menu/data-protection.html\)](https://safe-frankfurt.de/footer-menu/data-protection.html)** →

© 2020 SAFE