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**STRATEGY AND PROSPECTS OF ECONOMIC DISINTEGRATION
 FOR THE NATIONAL ECONOMY: THE EU EXPERIENCE**

It is argued that European integration has not fulfilled its chief economic promises. Output growth has been increasingly weak and unstable. Productivity growth has been following a decreasing trend. Income inequalities, both within and between the EU Member States, have been rising. This sorry state of affairs is likely to continue – and likely to precipitate further exits, or eventually, the dissolution of the Union. However, this outcome is not unavoidable. A better integration in the EU is possible, at least in theory. Also the negative consequences implicit in the existence of the common currency could be neutralised. However, the basic paradigms of the economic policies to be followed in the EU would have to be radically changed. First, the unconditional fiscal consolidation provisions still in force would have to be repelled. Second, ‘beggar-thy-neighbour’ (or mercantilist) wage policies would have to be ‘out-lawed’.

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