

Trevor Evans

Macroeconomic polarization and financial fragility in the EU

The EU's policy response to the debt crisis in Europe has brought the short lived short lived economic expansion in 2010-11 to an end. These policies have contributed to a significant restructuring in the European economy: productive capital is being concentrated in networks dominated by the European core; wages and social expenditure have deteriorated for wide sectors; relations between the member states have been reordered along ever clearer hierarchical lines; and greater power has been concentrated in the hands of the Commission, outside the control of national or European parliaments. While current policies auger a prolonged period of economic stagnation, the limited proposals to reform the financial sector have been seriously diluted. This paper will outline the EuroMemo Group's proposals for a major reorientation of economic and financial policy in the EU.