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DUALISM OF MONETARY, TECHNOLOGICAL AND INFORMATION DETERMINANTS IN THE SOCIAL DEVELOPMENT OF EU

Introduction

According to modern economic theory essential reduction of inflation rate always provokes the increase of rates of unemployment which leads to GNP recession or significantly slowed down economic growth. At the same time, the modern economic methodology is unable to explain the cyclic fluctuations of demand for the new collective currency (during the last three years), precautionary (sometimes even excessive) actions of the Central European Bank (CEB) concerning the reception of new members to the European monetary system and the size of “the social tax” to be paid by the poorest layers of the population.

Not less questions cause the following two issues: technological and information development of the European society. Aggravation of the global competition between the EU, the USA and Japan, the acceptance of Lisbon Strategy which recently has been subject to generous criticism, the strengthened domination of the multinational corporations and multinational banks in the European economy, despite of all system actions of the European Commission to stimulate as much as possible the development of small and medium-sized enterprises (SME) create significant disagreements in the social environment. On the one hand, access to information resources and the newest technologies improves the life-level of the population, on the other hand, functional illiteracy is increasing, and graduates of many European universities (first of all of French ones) either do not work on their specialty, or are employed at positions which do not require higher education. The uncovered divergences, treated by the authors of the article as dualism of social and economic development

of the European Union, will undoubtedly dominate in the following ten years. Moreover, despite the activities of EU structural funds, member countries are likely to suffer from quite high rates of unemployment, by far exceeding those in the USA and Japan. This assumption follows directly from the basic postulates of neoliberal model, which, in our opinion, is going to be implemented in the EU in the forthcoming 2007-2013.

The abovementioned problems are also characteristic for Ukraine, which has not given up its eurointegration intentions. Thus the adequate assessment of all positive and negative outcomes from the convergence to the EU is very important for our country.

Social outcomes of monetary convergence

The general problems of European monetarism, or as it is officially determined – European Monetary Union (EMU) – were in the focus of the research of such prominent European experts as P. Ludov, C. Dyson, L. Tsoukalis and A. Moravshyk. Social effect of monetary reforms in Europe were actively studied by K. J. Beeback, G. Folkner, M. Rodes, Y. Meny and many others. Nevertheless, the identification of interrelations between the two policies of the EU – the monetary and the social ones – constitutes a significant scientific issue both for the integration grouping itself and for non-member countries. The research of this issue remains feeble in Ukraine, which makes every effort to converge with EU. However, the numerous failures and drawbacks of the past years, connected with the active monetary component of the reforms conducted in 1990-s, do not facilitate the rapprochement of Ukraine to the EU.

The idea of implementation of a single currency for the EU was given consideration yet at the beginning of its foundation, when the Treaty of Paris (1951) and later on the Treaty of Rome were signed. The first attempt to introduce a new currency, however, as well as to establish a new European monetary model, as the reaction to the crash of the Bretton-Woods system (1971) dates back namely to the early 1970-s. Unfavorable external factors, insufficient level of internal market development in addition to the numerous disputes amongst the six member-countries (at that time) altogether frustrated the realization of the idea within the developmental paradigm, dominating at that time. The revision of the idea was possible in a quite long period of time – in 1992 after the ratification of the well-known Treaty of Maastricht.

The abovementioned Treaty of the European Union defined a clear objective of the common monetary policy (Article 105) – the stability of prices. The objective could be implemented via the System of European Central Banks, endowed with the following four main functions:

- to define and implement the common monetary policy of the Communities;
- to perform foreign currency transactions;
- to maintain and run the official foreign currency reserves of member-countries;
- to facilitate the well-functioning system of payments.

Owing to the social constituent of the policy, whose main idea undoubtedly was the provision of low and stable prices, the regulation was focused on a model, which made impossible the currency devaluation and exports subsidizing caused by it as well as currency revaluation (stimulating imports). The composition of ECU basket – the hypothetical conditional EU currency – was congealed starting with the November 1, 1993, right after the Treaty of Maastricht had been put in action. The decision to launch a new common currency unit (in case of achievement of monetary and economic convergence) – euro – was made at the meeting of the European Council in Madrid (1995). The central banks of member-countries were granted autonomy during 1994-1998. From that moment on, they were forbidden to provide governments with overdraft services or launch credit lines, buy out government debt from the debtors etc. The hardest period whenever appeared to be 1996 through 1999, when the countries – potential members of the Monetary Union introduced interdictions upon the direct financing of budget deficits. This process was the most socially hurtful for Greece, which couldn't afford meeting all obligations by the launch of clearing euro, as well as the convergence criteria defined by "Growth and Stability Pact" (1997), which in the flow of time turned into the typical indicator of monetary cohesion:

- the rate of inflation should be close to the median level of three best performing member-states;
- the budget deficit should not exceed 3% of GDP, and the total government debt – 60% of GDP;
- the maintenance and fostering of further integration, reflected in the low long-term rates of interest;
- rationalized limits for currency fluctuations, implemented during last two years due to exchange rate mechanism within the framework of EMU.

A new exchange rate mechanism (ERM) was implemented on the 1st of January, 1999. It came to replace the European Monetary System and allowed to link the eleven EU currencies to those beyond the eurozone (Swedish krona, Danish krone, UK's pound sterling and Greek drachma)¹. The introduction of cash euro on the 1st of January, 2002 was the concluding element of establishment of the powerful (as it was envisaged at that time) Monetary Union and the triumph of the European Monetarism, which along with a great many of advantages (transaction costs' decrease, diminishing dollarisation of the economy, facilitation of mutual investment and trade within the EU) brought about a set of social inconveniences, resulting first of all in the rapid price convergence. The population of high-income countries (Germany, Netherlands, Luxemburg) found itself in the advantageous position, whereas that of low-income member-states (Portugal, Spain, Greece) – in the disadvantageous position.

Table 1. Indexes of hourly wages earned by manufacturing employees in selected countries and territories

Country or territory	Years			
	1980	1990	2001	2002
USA	100	100	100	100
West European countries	99	115	90	95
Canada	88	107	77	75
Mexico	22	11	11	11
Hong Kong	15	22	29	27
Japan	56	85	95	88
Korea	10	25	38	43
Singapore	15	25	37	34
Tajwan	10	26	28	25
Belgium	133	129	102	107
France	91	104	77	82
Germany	124	146	118	123
Italy	83	117	67	70
Switzerland	112	140	106	113
United Kingdom	77	85	78	82

Source: Пороховский А. А., *Динамика структуры американской экономики // США и Канада*, 2005, № 7, с. 25; за: "Statistical Abstract of the United States 2004-2005", p. 870.

¹ Greece was accepted to the eurozone in July 2000 as the country finally afforded to meet all conditions put in the Article 121(1) of the Treaty of the European Union. Later on, however, it turned out that the government of this country submitted not quite truthful data on the state of preparation to the launch of euro.

So, the European Union not only implemented the main postulates of Karl Brunner's and Milton Freedman's monetary theory, concerning the velocity of money turnover in the turnover of incomes, real banknotes and other components of the monetary policy, but also moved further ahead by means of creating the European Monetary Union, mathematically modeled in the new theory of optimal currency zones.

At the same time, the basic purpose of the EU monetary policy was, for all that, the achievement of prices stability, favored by everyone. In spite of that, it led to considerable disagreements on international level, connected with the further economic homogenization of the economic space in Europe. As for the main social consequences of the European reforms, they were as follows:

1. Significant price differentiation during 2002-2003 provoked such their leveling off that the lower prices "climbed up" to the higher ones. Under such conditions the low-income countries with low purchasing power were in the losing position, as it was mentioned before (for instance, the average per hour salary/wages in Germany constituted 22 euro in 2002, while in Portugal only 9.9 euro)². A record high level of salaries in Europe (see table 1) caused considerable disparities in the labor market and the highest among all postindustrial countries level of unemployment, ranging from 2.4% in Luxemburg to 15% in Spain.
2. The violation of the "Growth and Stability Pact" by the founders of the EU – France and Germany, caused discontent of other member-states, which were deprived of the possibility to overcome budget deficit at the expense of the additional emission of money.
3. Decrease of GDP growth rates of Eurozone member-countries, reaching in several states (e.g. Germany) zero level or even below zero.
4. Considerable limitations on the anti-cyclical regulation functions of national governments, most part of which had been transferred to the competency of the European Central Bank. This resulted in the tension between the monetary and financial policy in the Economic and Monetary Union. Lack of correspondence of country business cycles was, as EC experts suggest, one of the main reasons of UK's knockback from the membership in the Monetary Union in 1992.

² The comparison of McDonald's prices in France and Greece, resulting into the conclusion that French people constantly overpaid for the "unified and standardized production", triggered an animated discussion in the European community.

5. Substantial fluctuations of euro/US dollar exchange rate, caused by a set of endogenous and exogenous determinants, led to the amplitudinous economic fluctuations in external trade between the Eurozone member-states and the USA. For instance, one euro was equal to 0.83 US dollars as of the 26th of October 2000, and on the 6th of December 2004 – 1.34 US dollars.

6. The discontent of numerous inhabitants of the so-called “successful” countries with the size of the contribution to the common EU budget. This was most powerfully externalized in Sweden. The country’s contribution to the common budget according to the data of the Russian researcher A. Volkov constituted 23.7 billion kronas, whereas the total receipts from the budget was only 11.6 billion kronas limited only to the agricultural and regional development issues. This was also the reason of the fact that this country constantly rejects the membership in the European Monetary System.

Together with the abovementioned complications there were a lot of positive outcomes from eurozone creation. Among them is the fact that the 2001-2003 recession was overcome mainly due to the strict monetary policy of the ECB. The latter was also able to establish a strong trust to euro, facilitating its strong international position. The modern EU, however, is on the eve of considerable social restrictions caused by the use of neo-liberal mechanisms and regulatory instruments, slow GDP growth and active emigration of capital (also to the USA) as a result of high cost of labor force.

Social transformation in eurozone member-states, as well as that of all EU member-countries, in the forthcoming seven years will most probably occur under the slogan of national developmental models harmonization, unification and standardization of social services’ quality, fostering of EU space homogeneity. To our mind, the essence of this process is quite manifestly delivered by the treatment of the category “European national well-being” (table 2).

English researchers S. Leibfried and P. Pierson presented the influence of integration positive and negative outcomes upon the social sphere quite clearly, they also uncovered the peculiarities of “national well-being” adaptation (third line in the table). Authors defined the term “social dumping”, whose spread will inevitably lead to the economic slowdown, decrease of the price competitiveness of goods and services produced in the EU, and the more so the decrease of their availability for the people at large.

Table 2. National well-being of countries under transformation via European integration

Processes	Key actions	Examples
Stringent integration directions → positive initiatives of social standards unification development on EU level	European Commission, Expert Committees, European Court, and, starting from 1992 institutionalized corporate actions (Union of Entrepreneurs and Employers, European Confederation of Public Works, European Confederation of Trade-unions) (preliminary actions: lobbying at European Parliament, European Social Committee)	Gender equality, health care; Social Protocol of "Corporationism" (since 1992), generalized in 1997 resulting in magnification of competencies by qualified majority; inclusion of the EU Social Charter (1989) to the Treaty of Amsterdam
Stringent integration directions →	"negative" political reforms via the market of common necessities	European Court, European Commission, European Council, operating national institutions
Free movement of workforce (1980-s), freedom of provision of services accompanied by the European "competitive regime" in force	Indirect integration directions → adaptation of national well-being of countries	Market actions (employment), associations, sensitive branches: private insurance, provider-groups; European Council, selected national government authorities in certain branches of social policy

Source: Leibfried S., Pierson P., *Social Policy. Left to Courts and Markets? / Policy – Making in the European Union*, H. Wallace and W. Wallace (eds.), Oxford University Press, Oxford 2003, p. 269.

In the year 2000 the EU started to implement the "Agenda-2000", an ambitious seven-year program. The financing of the social programs according to this document (table 3) is mostly based on the structural action.

The most part of budget allocations to social programs was executed via the European Social Foundation, established in 1958 in accordance with the Treaty of Rome. Its main objectives included measures aimed to restrict unemployment, foster human resource development, vocational training, professional skills upgrading etc. Two objectives specified in the "Agenda-2000" were focused on the aforementioned issues. They are Objective 2 – economic and social transformations in the regions suffering from the structural problems, and Objective 3 – mod-

ernization of educational, vocational training and employment systems. About 12.3% of the EU structural funds budget were allocated to Objective 3, and the execution of financing was performed exclusively through the ESF, unlike that of Objectives 1 and 2. The more so, 5.35% of Structural Funds budget allocations were aimed to finance four special initiatives: trans-border and interregional cooperation (Interreg III), social and economic revivification of cities and depressive suburban areas (Urban II), development of rural areas via regional initiatives (Leader+), fighting discrimination and inequality at labor market access (Equal). Additional financing was allocated to numerous educational programs. Among them the following should be mentioned: “Socrat” (general education) – 1.85 bln. Euro, Leonardo da’Vinci (vocational training) – 1.15 bln. Euro, “The Youth” (exchange programs and informal education).

Table 3. Execution and allocation of EU expenditure 2000-2006 (billion euro, in firm prices of 1999)

Type of expenditure	2000	2001	2002	2003	2004	2005	2006
1. Agriculture	40,9	42,8	43,9	43,8	42,8	41,9	41,7
2. Structural action	32,1	31,5	30,9	30,3	29,6	29,6	29,2
- Structural funds	29,4	28,8	28,3	27,7	27,1	27,1	26,6
- Cohesion Fund	2,6	2,6	2,6	2,6	2,5	2,5	2,5
3. Internal policies	5,9	6,0	6,0	60,1	6,1	6,2	6,2
4. External action	4,6	4,6	4,6	4,6	4,6	4,6	4,6
5. Administration	4,6	4,6	4,7	4,8	4,9	5,0	5,1
6. Reserves	0,9	0,9	0,7	0,4	0,4	0,4	0,4
- currency reserves	0,5	0,5	0,3	0	0	0	0
- security reserves	0,2	0,2	0,2	0,2	0,2	0,2	0,2
- guarantee reserves	0,2	0,2	0,2	0,2	0,2	0,2	0,2
7. Compensation for new Member States	3,1	3,1	3,1	3,1	3,1	3,1	3,1
- agriculture	0,5	0,5	0,5	0,5	0,5	0,5	0,5
- structural action	1,0	1,0	1,0	1,0	1,0	1,0	1,0
- PHARE	1,6	1,6	1,6	1,6	1,6	1,6	1,6
Total expenditure (allocation)	92,0	93,4	93,8	93,0	91,5	90,8	90,2
Total expenditure (execution)	89,6	91,0	94,1	94,7	91,7	89,9	89,3
- in percent (%) of GDP	1,13	1,12	1,13	1,11	1,05	1,0	0,97

Source: Laffan B., Shackleton M., *The Budget. Who Gets What, When and How.* / *Policy-Making in the European Union*, H. Wallace and W. Wallace (eds.), Oxford University Press, Oxford 2003, p. 231.

An important role was also played by the Cohesion Fund, especially for the countries whose GDP was below the 90% of average EU-15 level (starting from 2004 – average EU-25 level). This group included Spain, Portugal, Greece, ten new member-states and Ireland (starting with 2007 this country will be excluded from the list of depressive states, as during the few recent years it turned into a hyperactive state, a “European tiger” as it is often called, and moved up to the second place by GDP per capita among the EU member-states, after Luxemburg).

High social standards, salaries at EU became an extremely attractive factor of Central and East European countries co-integration to the EU. It resulted both in significant advantages (widening of markets, FDI inflow, quick economic transformation etc.) and certain complications, first of all in social sphere. It is plainly reflected by the expenditures on government pensions financing (table 4).

Table 4. Expenditures on government pensions financing in selected post-socialist countries (% of GDP)

Country	1989	1997
Albania	5,7	4,0
Bulgaria	8,2	6,2
Croatia	...	11,9
Czech Republic	8,3	8,9
Hungary	9,1	9,4
Latvia	...	10,7
Lithuania	...	7,0
Macedonia	...	10,1
Poland	6,5	15,1
Slovakia	6,7	8,0

Source: Barr N., *Reforming Welfare states in Post-Communist countries / Transition and Growth in Post-Communist Countries. The Ten-year Experience*, L. Orłowski (ed.), Edward Elgar, Cheltenham 2001, p. 186.

Dualism of R&D determinants of social development of the EU

Numerous empirical researches (by R. Solow, I. Schumpeter, R. Foster, L. Kantorovich) prove that technological (process) innovations provide more than two-thirds of GDP per capita growth. Analysis of dependence of GDP per capita from the innovation capacity index, performed on the materials of 70 countries sample by E. Porter and S. Stern, testifies the existence of significant positive correlation between the abo-

mentioned indicators ($R^2 = 0.83$). The increase of R&D expenditure in the OECD area causing growth of GDP per capita is also recorded in the EU Competitiveness Report. The similar conclusion is made by the experts of the European Commission in the European Innovation Scoreboard: a strong positive correlation exists between the Summary Innovation Index and the GDP per capita growth.

In 2004 a work-group of EC analysts made a forecast, constituting the fact that in case of increase of total EU R&D expenditure to 3% of GDP in 2010 might result already in 2015 in creation additional 3,1 million jobs, causing in its turn an additional 4.2% GDP increase. Another research work stated that the significant upsurge of “investment in knowledge” (education and R&D) could add to the EU GDP growth some 0.5-0.75 percentage points annual in the course of the following 5-10 years.

The recognition of the fact that intellectual capital is a gear of national competitiveness in the modern globalised world was officially renowned in 2000 on the EU Lisbon Summit, where the 10-year competitive strategy was adopted with the intellectual component at the root of its success.

At the same time in the modern postindustrial era, when the intellectual capital becomes the main driving force of economic productivity, mankind faces a difficult question: what is the proportion between the economic and social effect of innovations and how it is distributed between labor force and capital? J. Prokopenko (2000) believes that the only society, to be defined as competitive, is the one, which has found a dynamic equilibrium between the wealth creation and social cohesion. Competitiveness, as stated by S. Cohen and J. Zysman (1987), is related to the growing population incomes, growth of employment and fighting poverty. S. Garelli (2005) claims, that international competitiveness of a country presupposes the achievement of a balance between the economic imperatives of world markets and social needs of nation. K. Rozhkov (2000) declares, that inter-country competition is connected, first of all, with the growth of importance of social sphere – a realm of human resources regeneration, which lies beyond a business company but defines competitive potential thereof. The contemporary competitive rivalry is for the most part between businesses for the right to own human resources, whose restoration, however, is facilitated mainly due to the efforts of governments, but not businesses. That is why the ability to create and regenerate human resources, putting into use, later on, the results of their restoration, is the feature of global competitiveness of nation.

Formerly J. Hart (1993) pointed out, that in modern industrially developed countries two civil society actors – business and organized workforce – play a key role in the solution of issues, concerning the competitiveness of their industrial sector. The division of power among the three social actors – government, business and workforce – is the base underpinning the social regime of a nation. Thus, cooperation, interdependency and coordination among the government, business and workforce are vitally important for the achievement of international competitiveness.

How competitive from the viewpoint of social efficiency is the R&D policy in the EU? We don't have the direct answer to the question for the time being. At the same time, a set of factors evidence that the main beneficiary of Knowledge Based Economy formation is big business. First of all, the high level of concentration of R&D financing and performance in the EU is the confirmation of that. According to the data of Annual Report on Research and Technological Development Activities of the European Union in 2004 twenty biggest European companies provide more than 55% of total R&D investment facilitated by 500 biggest EU high-tech companies, whereas the same indicator for the group of 500 biggest high-tech companies outside EU is much lower – only 37%. The most part of R&D activities is performed by the companies of automobile industry (23,8%), pharmaceuticals and biotechnology (17%), information and communication equipment (12.4%), and electronic equipment (10.3%). Almost 75% of total EU R&D investments are concentrated in Germany, France and UK.

Tax exemptions, as well as other stimuli and advantages granted to the innovating companies, spread of cooperative government-business research agreements will most probably encourage the growth of labor productivity and business profits. This doesn't guarantee, however the simultaneous and relevant growth of employees' salaries. By the way, we would like to dwell upon the fact that the Lisbon Strategy is mostly focused on the elimination of 30% GDP per capita gap between the USA and EU. At the same time the share of population in the productive age in the year 2000 in the USA was higher by 9% comparing to the EU, whereas public allocations for social issues and income support were higher in the EU than in the USA by 9% during 1963-2000. The conclusion is that the ever-growing social burden on the European business is obviously the key determinant, restricting EU business-sector competitiveness.

The creation of European Commission DG Research Report (2005) was inspired by the values of “catching up development”. And on the 22nd–23d of March 2005 taking into consideration the five-year experience of unsatisfactory, from the viewpoint of the European Commission, implementation of Lisbon goals, the priority of competitiveness objectives were reconsidered and specified in the Action Plan “Integrated Guidelines for Growth and Jobs” (2005). Ten directions of competitiveness stimulation were proclaimed for the period of 2005-2008, and they mostly facilitate the growth of economic performance.

Social contradictions of information development

Most of modern researches of globalization agree on the thought that along last twenty years a fast move towards information society takes place. The main reason for that thought is that society starts to look at information as the main consumer utility.

At the same time not only consumer utility have information nature, but capital as well has information resources at its' basis. The data provided by Russian researcher V. Melyantsev (2001) gives good evidence of that idea, it tells us that almost 2/3 of capital of leading states have got information nature. There is almost no types of economic activities that do not use information as resource. The share of non-tangible (non-material) activities in the GDP has risen to 70% [A. Slavnova, 1996]. At the same time the structure of world trade with goods changes and share of goods in production of which lay intangible factors is growing from 45% in 1976 to 50% in 1984 and 69% in year 2000. Meanwhile the share of goods in production of which lay tangible factors is falling as “World Investment Report” (2002) says.

Modern information society, as well as an industrial one, remain to have uneven distribution of consumer utility. Many factors make it become so, and the main is objective existence of information asymmetry, which is uneven distribution of information resources between economic subjects. Although it has objective character, national governments of many countries try to fight with it, as information asymmetry deepens social inequality, which remains from industrial times. Information asymmetry in new society is thought to be the main reason for economic inequality.

National and international bodies in EU, taking into account the negative consequences of information asymmetry, for the last fifteen

years have been taking measures to minimize it, but understanding that it can not be totally eliminated. Let's say that in the Treaty establishing European Union there are several positions as to the information, which as first hand related to the social development of the union.

The EU treaty has several provisions as to the information, which mostly considers social aspect of development of the union. For instance article 129 says that the Council after consulting the Economic and Social Committee and the Committee of the Regions, "may adopt incentive measures designed to encourage cooperation between Member States and to support their action in the field of employment through initiatives aimed at developing exchanges of information and best practices, providing comparative analysis and advice as well as promoting innovative approaches and evaluating experiences...". Article 137 supports and complement the activities in the fields of "the information and consultation of workers" on any social undertakings and the Council may "adopt measures designed to encourage cooperation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences", but "excluding any harmonisation of the laws and regulations". Article 144 tells us that the Council shall establish a Social Protection Committee which shall "monitor the social situation and the development of social protection policies" and "promote exchanges of information, experience and good practice". As to the public health article 152 gives us healthy future "by promoting research into their causes, their transmission and their prevention, as well as health information and education".

EU pays a lot of attention to the question of personal and corporate access to the internet (although it is only one of many aspects of information society). The following table 5 nevertheless shows the differences in the level of access to the internet at households and companies of EU without analysis of its quality. For comparison: in the USA the same indicator in year 2004 was 55% and in Japan – 54%.

One of the most unfavorable, from the point of view of the Council (20.3.2006), disproportion in the development of the nation is level of services of broadband access to information, which at the end of the 2005 was only 11,5% of total population or about 20% of households. Due to different level of access to information economic subjects find themselves out in different conditions of business and harder competitive pressure from those who enjoy such resources.

Table 5. The level of access to the internet at households and companies in some EU countries

Country	Percentage of households who have Internet access at home		All enterprises	Small enterprises (10-49 employed persons)	Medium enterprises (50-249 employed persons)	Large enterprises (250 employed persons or more)
	2004	2005				
EU (15 countries)	45	53	90	88	97	99
EU (25 countries)	42	48	89	87	97	99
Germany	60	62	94	93	99	100
Slovenia	47	48	93	91	98	100
Estonia	31	39	90	89	96	98
Latvia	15	31	74	70	91	96
Poland	26	30	85	81	98	100
Slovakia	23	23	71	67	91	98
Hungary	14	22	78	75	87	97
Czech Republic	19	19	90	88	97	99
Lithuania	12	16	81	77	91	99

Source: <http://epp.eurostat.ec.europa.eu>.

Essential is the gap in the share of information active products (highly technological goods) in the structure of exports (in EU-25 it is only 18%, while in the USA – 26% and Japan – 22%). Even larger are differences between countries within EU: in Poland, Lithuania and Latvia it is about 3%, Spain – 5%, Greece – 7%, but France – 20%, Ireland – 29% (calculated from: <http://epp.eurostat.ec.europa.eu>).

In order to shorten the gap to the USA and Japan and stable development the Commission initiated sort of high-level “policy accelerator” that focuses attention on and pushes forward progress in the “eEurope policy priorities”. Thus the main elements of information society development in the EU shall be the following:

- Broadband – services of broadband access to information resources;
- eBusiness – electronic and information business;

- eGovernment – electronic participation of citizens in governing;
- eHealth – electronic system of health protection;
- eInclusion – electronic inclusion of all citizens in the life of society;
- eLearning – electronic education;
- Security – electronic aspects of security;
- Benchmarking with other states and regions.

So called “digital divide” also bothers Commission because of insufficient level of access to the information and services in the far located and country regions, fast development and deepening of the gap. It is said that government intervention may change the situation, in case of sensitive position as to the private investment incentives and market competition.

European bodies, in accordance to their tasks, take measures in order to liquidate or at least minimize the gaps, which occur due to the development of information society. In June of 2005 Commission initiated 5-year strategy “i2010: European information society”, which is aimed at addressing the main challenges and developments in the information society and media sectors up to 2010. It promotes an open and competitive digital economy and emphasises ICT as a driver of inclusion and quality of life. It rests on three pillars: 1) creating the single European Information Space, which promotes an open and competitive internal market for information society and media services; 2) increasing investment in innovation and research in ICT; 3) fostering inclusion, better public services and quality of life through the use of ICT.

Meanwhile, steps taken by national governments and on the EU level, including information policies, do not lead to any essential social changes, which is true as to the data of distribution of citizens income for the last 5 years. So, if in year 2000 the income of 20% of the richest citizens were 4,5 times bigger than the income of 20% of the poorest, then in year 2004 it was 4,8 times, thus had the trend of growing of the gap (calculated from: <http://epp.eurostat.ec.europa.eu>).

Conclusions

The shown data and named at the beginning of the article aim and targets of the research gives us the following conclusions:

1. European Economic and Monetary Union base on the methodological basement of modern monetary theory of “optimal currency zones”, which

stipulates maximum depreciation of transaction costs, price stability and dynamic development of economy and was supported by the most of population of EU countries, that led to formation of unique for the global economy monetary group known as “euro zone”. European monetarism has its own peculiarities, which is driven by hard frames of currencies convergence, severe institutionalization of monetary turnover and precise budgetary-financial policy of European Central Bank, which carries out the burden of responsibility for the functioning of the whole monetary system. Mechanisms and instruments of ECB block wishes of countries governments to settle the problems of budget deficit by neo-Keynesian measures, although such tries from the leading EU states – France and Germany – took place.

2. Model of social compensations in the EU has got systematic polistructural character and grounds on the use of possibilities of over-national structures (different EU funds), national and regional programs of development, the main targets of which are financing of educational programs, teaching of unemployed, culture development, exchanges and equality on the labor market etc. Their diversity do not always lead to unity of undertakings and settlement of priority. During 2004-2006 there was active fight with “chronic donations”, which was illustrated by move of European Union in general and European Monetary Union as well to the model of selection of financing of social programs and refusal of policy of “social dumping” in EU, which took place for the last 15 years.

3. Unless of the main aim of EU monetary policy which is price stability, actual creation of EMU and introduction of euro as an electronic currency and accounting unit (1999) and in hard cash (2002) lead to their convergence when the winners were the states that had higher level of incomes, and lost those countries that were the outsiders of European economy. This means that transaction costs of currency exchange were the stopping factor for the growth of prices in the countries with lower level of economy development. These obstacles made new EU member-states deny from introduction of euro in their economies in 2006-2007 and postpone the process of joining the euro zone till 2008-2011. The main reason for this was weakness of economic systems and huge “social cost” for the monetary harmonization.

4. In the modern EU we may see background for the change of ideals of social wealth to liberal principals of development. “Investments in knowledge” are reviewed mainly from the utility point of view – as a factor for economic growth in strategic perspective. Otherwise in terms

of “overtaking development” out of reach the other, not less important side of the problem is left, which is social results of policy aimed at economic effectiveness. In terms of progressive process of European population getting older such a policy may be effective in short period of time, but in the middle- and longtime perspective it shall be a wrong.

5. Information aspect of life, economic as well, is highly diversified in scales, so the wish of some subjects to take them all can not be realized and leads to disproportions in development. As gap in the level of use of modern information and telecommunication technologies grow, the lag in the level of development enlarges not only in the world, but in the EU too. Years of European integration process show that no state donations could liquidate this gap.

As every subject can not overtake all sides of information life, which is deepened by asymmetry of information, develops and deepens international division of labor, specialization and cooperation of countries and corporations. The winners will be those economic subjects who will be initiative and use information society achievement in most effective manner.

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Summary

Authors take a view of problem of European Union development from the position of numerous contradictions of monetary convergence, technological and information asymmetry, which in the terms of globalization of world economy has both positive and negative social results. Some prognoses of social outcomes of transfer to neo-liberal model of development are made accompanied by the conclusion of unequal compensation from the side of structural funds of EU and cohesion fund of social asymmetry in the member-states.

Dualizm monetarnych, technologicznych i informacyjnych determinant rozwoju społecznego Unii Europejskiej

Streszczenie

Autorzy podejmują problem rozwoju Unii Europejskiej w kontekście licznych sprzeczności w procesach konwergencji monetarnej oraz technologicznej i informacyjnej asymetrii, które w uwarunkowaniach globalizacji gospodarki światowej mają zarówno pozytywne, jak i negatywne skutki społeczne. Prognozy społecznych efektów przejścia do neo-liberalnego modelu rozwoju zostały uzupełnione poprzez wnioski wskazujące na nierówną kompensację asymetrii społecznej w krajach członkowskich ze strony funduszy strukturalnych Unii Europejskiej i funduszu spójności.

