

# European Economies



SS6E5, SS6E6, & SS6E7

# Economic Basics

## SS6E5

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□ Economics is the study of how a market <sup>PRODUCES</sup> makes, <sup>GIVES OUT</sup> distributes, and consumes <sup>USES</sup> products and services.

- It is how these markets answer the ~~basic~~ economic questions:
- ~~What to produce?~~
  - ~~How to produce?~~
  - ~~For whom to produce?~~

# Economic Basics: Types of Economies

## SS6E5

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□ **Traditional Economy:** social roles and culture determine how goods and services are produced, what prices and individual incomes are, and which consumers are allowed to buy certain goods.

NOT ALWAYS \$  
BARTERING

COMMUNISM

□ **Command Economy:** a system in which the government decides what goods will be produced, how they will be produced, and how they will be distributed.

# Economic Basics: Types of Economies

## SS6E5

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□ **Market Economy**: this system is based on individual choices and voluntary trade; individuals answer the basic questions of what to produce, for whom to produce, and how to produce.

WANT  
TO NOT  
HAVE TO

□ **Mixed Economy**: this system has features of traditional, command, and market systems; all modern economies are mixed economies, but the mix is different in each nation.



# Economic Basics: Types of Economies

## SS6E5, SS6E7d

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- ❑ **Entrepreneurs** are individuals who take risks in an economy by starting new businesses and organizing productive resources.
- ❑ In a command economy it is more difficult for entrepreneurs to act in the economy because the government makes all economic decisions.  
\* Public Business = Gov't (Schools)  
Private = Entrepreneurs (Wal-Mart)
- ❑ In a market economy, entrepreneurs play ~~an~~ **THE MOST** important role.

# Europe's Economy

## SS6E6

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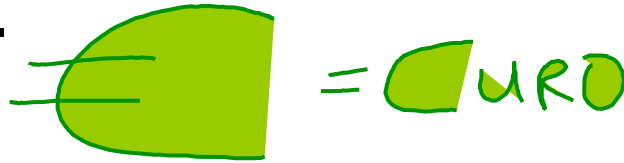
- ❑ Europe's extensive river systems have helped trade between nations.
- ❑ The many mountains between nations ~~have been~~ barriers to trade in the past.
- ❑ The many currencies used throughout Europe made it difficult to trade between nations, until... the introduction of the Euro, the unit of currency for all member nations of the European Union, has made trade easier between those nations
- ❑ Those nations that do not belong to the EU still have to exchange currency to trade with each other.



# Currencies of Europe

## SS6E6d

- France, Italy, Germany, and Greece use the Euro.
- The Euro has pictures representing each of its member nations, much like our quarters for each state, here in the U.S.A.
- Below are Euro coins.



All coins have the same front design

These are some of the back designs for the 1euro piece representing different EU nations.



France

Italy

Germany





# Currencies of Europe

## SS6E6d

□ Here are pictures of the Euro paper currency.

5 euro

10 euro

20 euro

50 euro

100 euro



200 euro

500 euro



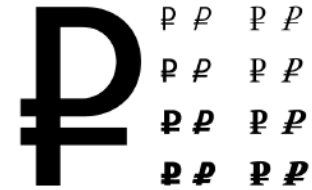
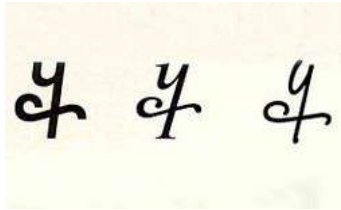


# Currencies of Europe

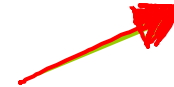
Original Ruble  
Symbol

SS6E6d

Unofficial Ruble  
Symbol



□ Russia's currency is the Ruble.



1 Ruble

5 Rubles

50 Rubles



# Currencies of Europe

## SS6E6d

Zloty Symbol

□ Poland's currency is the zloty. →

**zł**

**10 zloty**



**20 zloty**



**100 zloty**



**200 zloty**



**5 zloty**



# United Kingdom's Economy

## SS6E5, SS6E7


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- ❑ The UK has a mixed market economy
- ❑ The government controls some economic activity while private companies control others.
- ❑ The UK has a welfare system, socialized medicine, and the government is involved in overseeing fair business practices, banking, and the supply of money. GERMANY TOO
- ❑ The UK has a limited amount of resources and land, yet they use what they have efficiently.
- ❑ Service Industries (banking, insurance, etc) make up the largest part of their GDP.
- ❑ The discovery of oil in the North Sea has helped the UK be less dependent on other nations.
- ❑ The people of the UK have a high standard of living, and the literacy rate is among the highest in Europe.

# Germany's Economy

## SS6E5, SS6E7

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- ❑ The reunification of East and West Germany has caused economic difficulty in Germany.
- ❑ Germany had to combine two very different economic systems. East Germany had a command economy, while West Germany had a mixed economy. 
- ❑ They have combined a free market, some governmental control, and social welfare (to help the poor) to create a new mixed economy called a **social market economy**.
- ❑ Germany's combined industrialized economy has become one of the strongest in Europe.
- ❑ Germany has a high literacy rate that reflects the high quality education required of Germany's children, this investment in it's people helps the economy.

# Russia's Economy

## SS6E5, SS6E7

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- ❑ Russia did have a command econ. As they were communist... now they have moved more towards Mixed Market.
- ❑ During this shift Russia has struggled with high unemployment, a fall in value of the Russian currency (the ruble), and inflation being high.
- ❑ Russia has oil and sells it to other countries, so now their econ. is growing.
- ❑ Russia has a skilled labor force, and it's gross domestic product\* (or GDP) has been on the rise for the past few years, this gives hope that their economy will be strong soon.

\***GDP** is the value of the goods and services produced in a nation within a year.



# Economic Systems

Russia  
51%

Germany  
71%

United Kingdom  
79%



0

100

Pure

Pure

Command

Mixed Economy

Market