

Regional Economy Paper: Geography

The statistical regions of Europe as delineated by the United Nations as: Northern, Western, Eastern and Southern Europe. Western Europe has a long history of trade, free market system and a high level of development in the previous century. It is wealthier and more stabilized than the East Commonly; it includes all high income European countries outside the Communist bloc, the first world countries of the region. The latter includes: British Isles (Ireland and United Kingdom), Benelux countries (Belgium, Netherlands and Luxembourg), France, Monaco, Iberian peninsula (Spain, Portugal, Andorra, and Gibraltar), Italian peninsula (Italy, San Marino and Vatican City), Alps (Austria, Liechtenstein and Switzerland), Germany, Nordic countries (Denmark, Finland, Norway, Sweden and Iceland), Greece and Malta. Alternatively, Western Europe is unpopular geographic sub region of Europe that is extra restrictive than traditional political and cultural reckonings; as defined by the United Nations (the sub-regions according to the UN), it comprises the following nine countries: Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands and Switzerland. The Alpine Mountain System covers some parts of Europe. The Rhine River is a busy waterway between France and Germany to the North Sea.

In terms of population, Germany has the largest population with about 80 million. France has about 59 million inhabitants. Belgium, the Netherlands, and Luxembourg are densely populated with approximately 10.2 million, 15.5 million, and 0.4 million, respectively. Austria has a population of 8.1 million. Switzerland has 7.1 million inhabitants and finally, tiny Liechtenstein has a population of about 20,000.

Brandenburg is the largest city in Germany which surrounds Berlin. Saxony is at the south of Brandenburg, it is resource rich. The leading state is North Rhine-Westphalia which contains the Ruhr manufacturing complex centered in the areas of Koln and the former capital, Bonn, and close to the port of Rotterdam (in the Netherlands). The state of Hesse has its Rhine-Main industrial zone centered on the city of Frankfurt, Germany's financial headquarters and air transport hub. At South of Hesse are the states of Baden-Wurttemberg and Bavaria having high technology and modern industry. The cities of Hamburg and Bremen are important port cities handling imports and exports. France is a leading Western European industrial country with Paris as capital. The second largest city in France is Lyon with a huge population, industrial and multinational firms. France's economy is dominated by new high-tech industries, especially transportation and telecommunications. France is the leading producer of high-speed trains, aircraft, fiber-optic communication systems, and space-related technologies. It is world leader in the development of a nuclear power grid. This supplies France with 75% of its electricity and therefore reduces its dependence on imported oil. Belgium exports coal, natural gas, iron, steel, and transportation equipment. Brussels (capital of Belgium) is home of the European Commission, headquarters of NATO, and serves as the administrative center for many international economic organizations. Netherlands produces vegetables, meat and dairy. Luxembourg relies chiefly on guest workers to work its iron and steel industries.

Western Europe centers on agriculture. In terms of technologies, motor vehicles, machineries, high-speed trains and space ships and watches are manufactured. Products exported and exchanged among European Union (EU) member countries include iron, steel, chemicals, furniture, textiles, soaps and specialty foods. On 13 March 1998 the European Commission decided formally to set up the Co-operatives, Mutual societies, Associations and Foundations

(CMAF) which acts as an interface between the Commission and the various members of the European social economy.

The European Union (EU) composed of 27 European states. It has common single market, consisting of a customs union, a single currency (adopted by 13 of the 27 member states), a Common Agricultural Policy and a Common Fisheries Policy. The EU economy is expected to develop with fast GDP growth achievement of united Europe. European Free Trade Association (EFTA) was established on 3 May 1960 as an alternative for European states that did not wish to join the EU, creating a trade bloc with fewer central powers. On 15 September 1998 the European Parliament adopted a report on the common tax system for the EU. Social housing and job creation are objectives of EU. On 1 January 1999, 11 EU countries (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain) adopted a single common currency, the Euro, as the third stage of Economic and Monetary Union (EMU).

When communism collapsed in Eastern Europe and the USSR around 1991, these states struggled to adapt to free-market systems. There was a huge variation in degrees of success, with Central European states such as Hungary, Slovenia, Romania and Poland adapting reasonably quickly, whilst post-Soviet states such as Russia and Ukraine struggled to reform their crumbling infrastructures.

Europe's largest economy, Germany, struggled upon unification in 1991 with former communist East Germany. The Russian controlled Eastern part of the country had had much of its industrial infrastructure removed during the cold war, and for many years the West struggled to build the East up to an equal level.

Peace did not come to Yugoslavia for a decade, and by 2003, there were still many NATO and EU peacekeeping troops present in Bosnia-Herzegovina, Macedonia, and Kosovo. War severely hampered economic growth, with only Slovenia making any real progress in the 1990s. The economy of Europe was by this time dominated by the EU. Membership in this was seen as something to aspire. It gave significant support and aid to those Central and Eastern European states wishing to work towards achieving economies so as to pass the entry criteria. During this time, 12 of the 15 members of the EU became part of the Euro zone, a currency union launched in 1999- using Euro. Those three states to continue with their own currency were Denmark, Sweden and the United Kingdom. Euro conversion leads to European Exchange Rate Mechanism. This fastens trade among members of EU. Most European economies are in very good shape, and the continental economy reflects this.

In response to the massive EU growth, in 2005 the Russian dominated Commonwealth of Independent States (CIS) created a rival trade bloc to the EU, open to any previous USSR state, (including both the European and Asian states). 12 of the 15 signed up, with the three Baltic States deciding to align themselves with the EU. Despite this the three Caucasus states have in the past said they would one day consider applying for EU membership, particularly Georgia.

In general European nations are members of larger and more powerful trade blocs than anywhere in the world. Many credit this with Europe's reduced gap between the rich and poor. However, the rigidity of the European labor market has also been blamed for the higher unemployment and slower growth than North America.

The European Union has the largest economy in the world. The EU economy is expected to grow further over the next decade as more countries join the union - especially considering that the

new States are usually poorer than the EU average, and hence the expected fast GDP growth will help achieve the dynamic of the united Europe.

The union has evolved over time from a primarily economic union to an increasingly political one. This trend is highlighted by the increasing number of policy areas that fall within EU competence: political power has tended to shift upwards from the Member States to EU.

The European Free Trade Association (EFTA) was established on 3 May 1960 as an alternative for European states that did not wish to join the European Union, creating a trade bloc with fewer central powers. Most of the European countries are members of EU. Non-EU member countries continue to decrease in number due to the advantages offered by the organization in all aspects.

The Cold War divides Europe into the Eastern or Western blocs. During the final stages of WWII the future of Europe was decided between the Allies in the 1945 Yalta Conference, between the Prime Minister of the United Kingdom Winston Churchill, the President of the United States Franklin Delano Roosevelt, and the Premier of the Soviet Union Joseph Stalin. Post-war Europe would be divided into two major spheres: the West mainly influenced by the USA, and the Eastern Bloc dominated by the Soviet Union. With the onset of the Cold War, Europe was divided by the Iron Curtain. Although some countries were officially neutral, they were classified according to the nature of their political and economical systems.

Most of Western societies have traditionally been socially collective, giving a major importance to social majority traditions or tendencies (such as customs, protocols, beliefs or fashion), that often handed down to minorities. In general, western cultures tend to emphasize consensus over any kind of minority or individual solution.

With the combination of goods and services, EU and USA account for the largest bilateral trade relationship in the world. The significant amount of bilateral trade and investment demonstrate a high degree of interdependence of the two economies. In 2006, the EU exported 269 billion euro of goods to the USA, while imports amounted to 178 billion. The most notable feature of EU-US trade over recent years has been the continued growth in the EU surplus, from 32 billion in 2000 to 91 billion in 2006.

Sources

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