



Economic Systems in Europe

United Kingdom

Germany

Russia

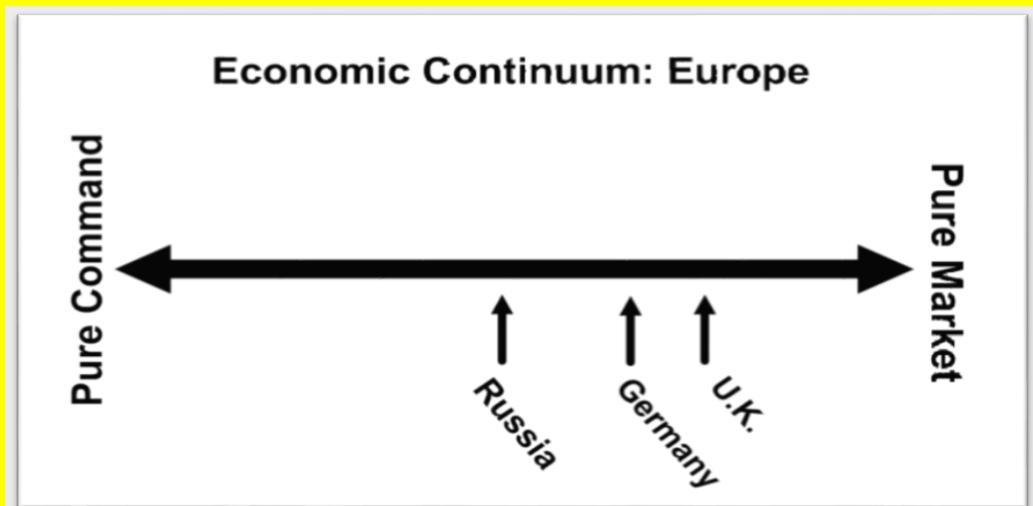
	United Kingdom	Germany	Russia
Who owns businesses and farms?			
Who decides what to produce and how much to produce?			
Who decides how goods and services will be produced?			
Who decides distributions methods?			
Who decides the prices for goods and services?			
How are property rights protected?			
How difficult is it to start your own business?			

Economy of the United Kingdom

The economy of the **U.K.** leans more on the **market** side of the economic continuum but is considered a **mixed economy**.

While the **government** of the U.K. plays an important role in many areas, it is still limited and places most **power** and **decision making** within the **citizens**.

The economic continuum shows that U.K. has the least amount of government control of the three countries listed.



Economy of the United Kingdom

The U.K.'s government collects **taxes**, regulates **trade**, and provides certain **services**.

Citizens of the U.K. are free to

- ✓ Own **land**
- ✓ Own **factories**
- ✓ Own **resources**
- ✓ Start their own **business**

Economy of the United Kingdom

Businesses in the U.K. are **free** to make their own decisions such as

- ✓ What **type** of business to open
- ✓ What to **produce**
- ✓ How to **produce**
- ✓ How **much** to charge

United Kingdom Economy

However, like all countries on Earth the U.K. does have some governmental control like healthcare. They also protect property rights and make laws.

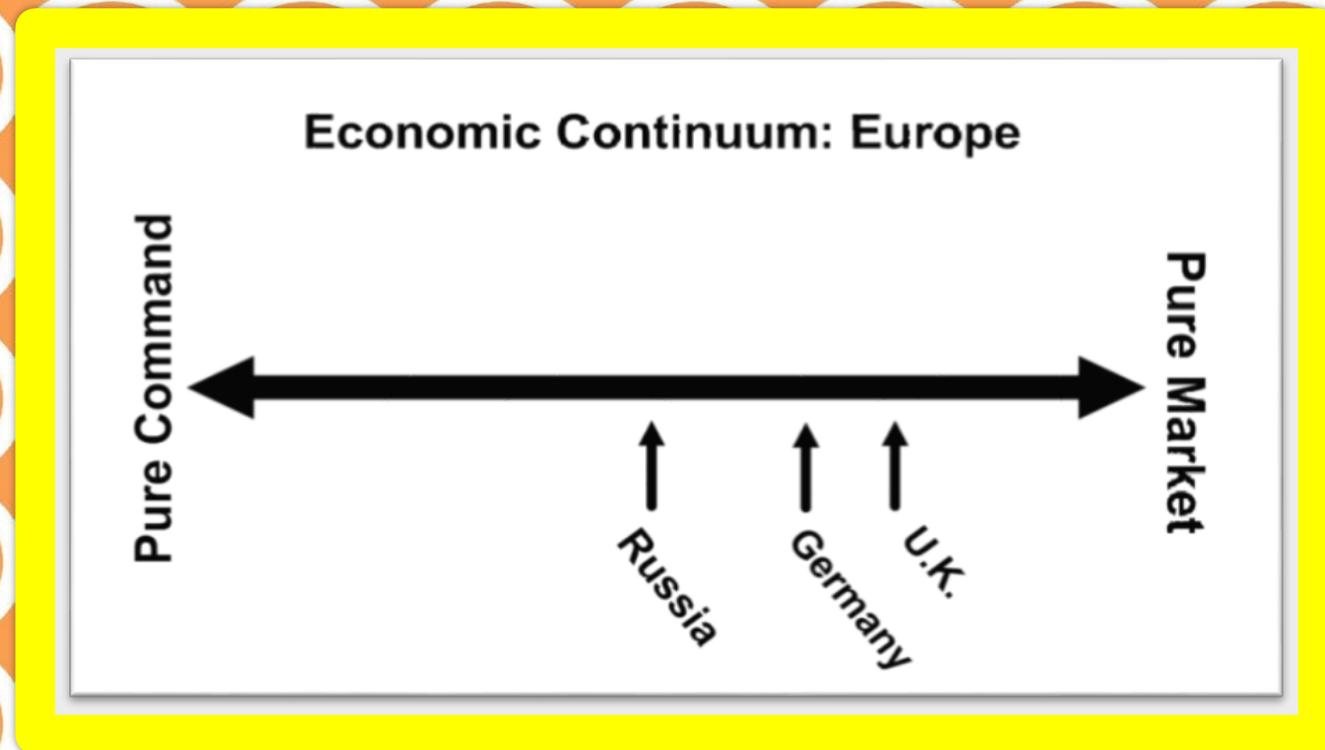
Much of the service jobs come from private manufacturing and



Economy of Germany

The economy of **Germany** leans more on the **market** side of the economic continuum but has more government control over **industries** and **regulations**. Because of this, Germany has a **mixed** economy.

The economic continuum shows that Germany has more government control, which makes it lean more toward a command economy compared to the U.K.



Economy of the United Kingdom

The Germany's government collects **taxes**, regulates **trade**, and provides certain **services**.

Citizens of Germany are free to

- ✓ Own **land**
- ✓ Own **factories**
- ✓ Own **resources**
- ✓ Start their own **business**

Economy of the United Kingdom

Businesses in Germany are **free** to make their own decisions such as

- ✓ What **type** of business to open
- ✓ What to **produce**
- ✓ How to **produce**
- ✓ How **much** to charge

Economy of Germany

Like the U.K. **German** citizens are free to make **all** the **economic decisions**. However, the German government heavily regulates certain elements of state **agriculture, energy, and telecommunications**; thus, the government does set the prices for some items. They also protect property rights and make laws.



Economy of Russia

Prior to the fall of the Soviet union in 1991, Russia was a part of the Soviet Union. The Soviet Union was a command economy that allowed very little freedom among its citizens.

Today , Russia's government is working hard to give its citizens a moderate degree of economic freedom.

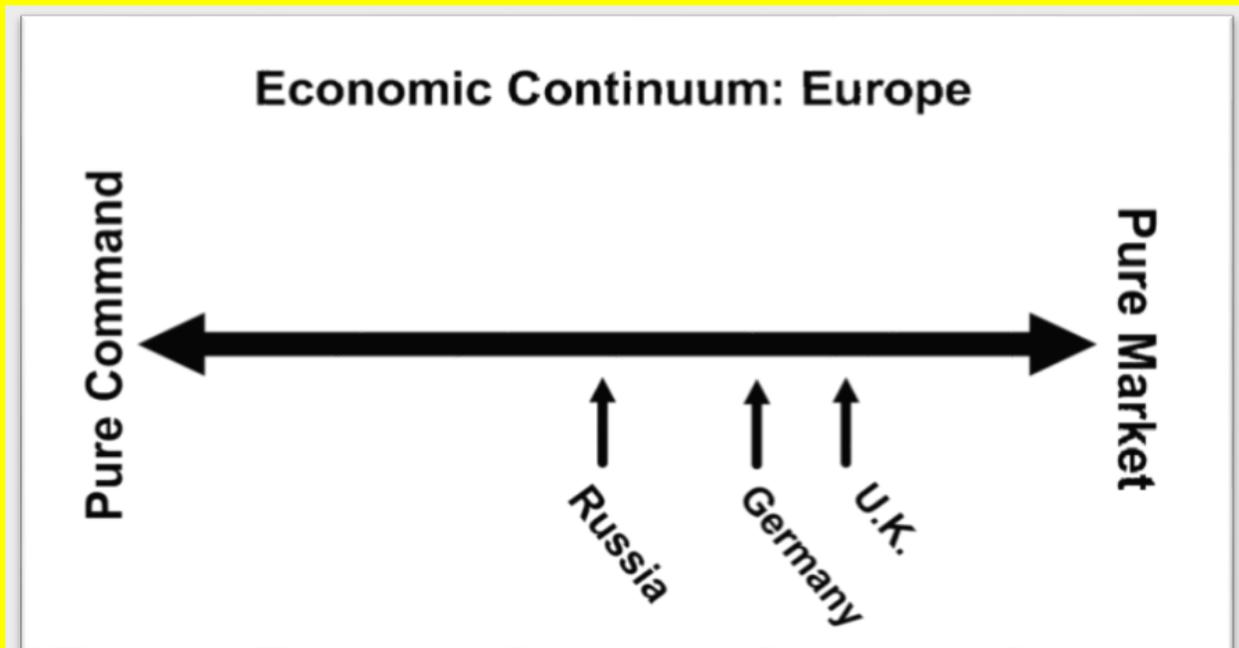


Economy of Russia

Compared to the U.K. and Germany, **Russia** has the **least** amount of **freedom**.

Russia is located on the **command** side of the economic **continuum** but its citizens have a **moderate** degree of **freedom**.

The economic continuum shows that Russia has the least amount of freedom compared to Germany and the U.K..



Economy of Russia

Russia's government still controls resources and determines what **goods** and **services** are produced.

Russia's government controls

- ✓ **Shipping**
- ✓ **Oil**
- ✓ **Natural Gas**
- ✓ **Aerospace technology**

However, they do allow for private ownership of land and most businesses.

Economy of Russia

Russia's government extensively uses **subsidies** in their **energy sector**.

Subsidies is money granted by the government to assist a business or industry in lowering the cost of its **product/service**.

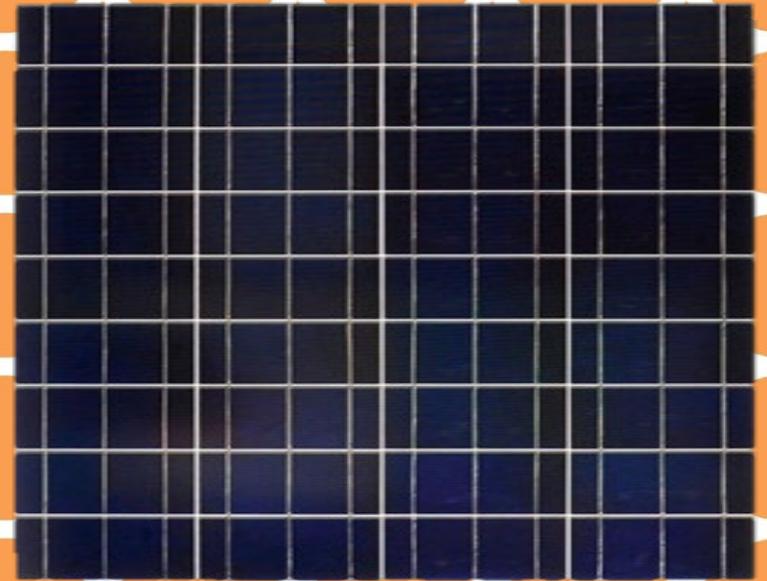
Private businesses cannot compete in certain industries because of the **money** Russia's **government** gives to its **own** sectors.

Economy of Russia

An example of **subsidies** would be in the alternative **energy** sector.

Russia gives government owned **solar** panel businesses money to make their solar panels cheaper.

The problem is that the money the government gives makes it very difficult for other **investors** and **entrepreneurs** to try and compete in this industry to make the panels even **cheaper** due to **competition**.



Economy of Russia

Subsidies gives an unfair **advantage** to certain businesses making it nearly impossible for other businesses to enter the sector to lower the cost through domestic **competition** and further the develop new **technologies**.

The term “**domestic**” refers to the products of services originating in one’s **own country**; it is the antonym of **foreign**.

Pro

Lowers the cost of **expensive** items for citizens.

Con

Does not allow **private** businesses to compete.

U.K., Germany, Russia, Economy Comparisons

Starting your own business in Russia is not an easy task due to **rules** and **regulations** from the **government**.

Protection of **private** and **intellectual property** rights is weak further hindering **entrepreneurs** from starting their own businesses.

**Not private
sector friendly**

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
Who owns businesses and farms?	Private citizens and corporations	Private citizens and corporations	The government owns large industries such as shipping, oil, and natural gas; private ownership is allowed in other areas.

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
Who decides what to produce and how much to produce?	Private citizens and corporations	Private citizens and corporations. There is some regulation by the government in energy and agriculture	Private citizens and corporations for the most part; the government has many restrictions

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
Who decides how goods and services will be produced?	Private citizens and corporations	Private citizens and corporations. There is some regulation by the government in energy and agriculture	Private citizens and corporations for the most part; the government has many restrictions and controls other ones.

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
Who decides distribution methods?	Private citizens and corporations	Private citizens and corporations. There is some regulation by the government in energy and agriculture	Private citizens and corporations for the most part; the government has many restrictions and controls other ones.

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
Who decides the prices for goods and services?	Buyers and sellers, based on supply and demand	Private citizens and corporations; the government regulates prices of some products	Private citizens and corporations; the government regulates prices of some products

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
How are property rights protected?	Laws and a good court system protect peoples property rights	Laws and a good court system protect people's rights	Court system does not always protect the rights of property owners

Comparing the economies of United Kingdom Germany and Russia

	U.K.	Germany	Russia
How difficult is it to start your own business?	Very easy	Very easy	Time-consuming (months)