

COMPARING THE ECONOMIES OF EUROPEAN COUNTRIES

Russia

Russia has a mixed economy; however they are not quite there yet. Russia has been moving from a command economy to a free market economy since the fall of the Soviet Union in 1991. To start a business in Russia is time-consuming and may take months. The government owns large industries such as shipping, oil and natural gas, and aerospace technology. Private ownership is allowed in other areas. Private citizens and corporations decide what to produce and how much to produce, how goods will be produced, and distribution methods. However, the government has many restrictions on businesses and controls many of the larger ones. Private citizens and corporations decide the prices for goods and services. However, the government regulates prices for some products. In Russia, property rights are protected through a court system that does not always protect the rights of property owners.

United Kingdom

The U.K is economically strong, and one of the world's leading industrial powers. The U.K. has a mixed market economic system. It is the closest to a market economy than any European country. days. In the U.K. private citizens and corporations owns the businesses and farms. To start your own business in the U.K. is very easy. In fact it can happen in a matter of days. In the businesses, private citizens and corporations decide what to produce and how much to produce, how the goods and services will be produced, and how to distribute the goods and services. The buyers and sellers decide the prices for goods and services, which is based on supply and demand. Laws and a good court system protect U.K.'s citizens' property rights.

Germany

Germany also has a mixed market economy. After Germany was reunified in 1990, East Germany had to move away from a command economy. Germany's economy is now Europe's largest and the 3rd largest in the world. In Germany private citizens and corporations own businesses and farms. To start a business in Germany is very easy and only takes a matter of days. In the businesses, private citizens and corporations decide what to produce and how much to produce, how goods will be produced, and distribution methods. However, there are some regulations by the government in agriculture, energy, and telecommunications. Private citizens and corporations decide the prices for goods and services. The government also regulates prices for some products. In Germany, property rights are protected by laws and a good court system.

	Type of Economy	Who owns businesses/ farms?	Who makes the basic economic decisions of what to produce, how to produce goods and services, and for whom to produce the goods and services?	Who determines prices of goods and services?	How are property rights protected?	How difficult is it to own your own business? How long does it take?
United Kingdom	Mixed Market Economic System	Citizens and corporations	Private citizens and corporations	Buyers and sellers determine prices based on supply and demand	Laws and a good court system.	Very easy - it only takes a few days.
Germany	Mixed Market Economic System	Citizens and corporations	Private citizens and corporations	Buyers and sellers determine prices based on supply and demand Government regulates prices for some products	Laws and a good court system.	Very easy - it only takes a few days.
Russia	Mixed Economy	Government owns large industries, however there is private ownership.	Private citizens and corporations decide Government control of large businesses and restrictions of smaller ones.	Private citizens and corporations decide on prices Government regulates prices for some products.	Court system - however rights are not always protected	More Difficult because it is time consuming - takes a few months

Mixed Economy Continuum

Since there is no pure market or pure command economy, countries lie on a mixed economy continuum. Most economies are closer to one type of economic system. The diagram below shows some of the world economies on a scale. The ones on the left are most restricted, and the ones on the right are most free.

Directions: Place the 3 countries, United Kingdom, Germany, and Russia on the mixed economy continuum.

