

Name \_\_\_\_\_

# ENTREPRENEURSHIP in Southwest Asia

**ENTREPRENEURSHIP IN THE MIDDLE EAST:** Based off what you know now about entrepreneurship, decide how open to entrepreneurship a few Middle Eastern countries are.

1. How much **economic freedom** do entrepreneurs have in these 3 countries? Read the descriptions in the box below that explain how open three countries in the Middle East are to entrepreneurship. Then rank these countries on the continuum below the box.

## Terms to Know

**private property** = ownership of property/resources by **non-government** individuals

**foreign investment** = when a business in one country is at least partly owned or controlled by people in another country

### **Saudi Arabia**

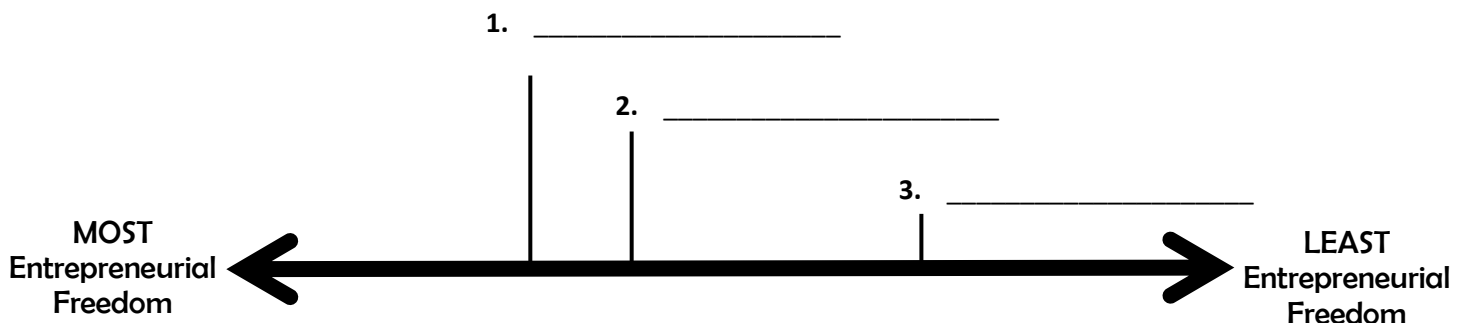
Saudi Arabia has an oil-based economy with strong government controls over major economic activities. The government makes opening, operating, and closing a business easy compared to the world average. There is also good protection of private property rights and foreign investment is encouraged, although some investors must have Saudi citizens as partners to operate legally.

### **Iran**

The economy of Iran is highly centralized, meaning there is lots of government control. Government policies make it difficult for individuals to open, operate, and close businesses. There is little protection of private property rights. The government has even seized property belonging to religious minorities. The government allows very little direct foreign investment. All investment must be approved by the government and is limited to certain businesses. A small number of private banks operate under strict limitations set by the government. This makes it hard for small-businesses because they struggle to register businesses or obtain capital [*wealth*].

### **Israel**

It is relatively easy to start a business in Israel, but it takes longer than the world average. Private property rights are well protected by law. Israel's modern legal system enforces property rights and business contracts. Foreign investment is encouraged, but is limited in some business sectors [*areas*]. While the government does spend a sizeable amount of money, it does not interfere [*get involved*] heavily with business activity.



2. Using the information from **question 1** and what you know about entrepreneurship, make a prediction about which economic data belongs to which country.

<b>per capita GDP (2014)</b>	<b>Economic Growth (2014)</b>	<b>Economic Freedom (2014)</b>	<b>Country</b> Pick one: Iran, Israel, or Saudi Arabia
\$34,770	+ 3.3	72% free	
\$31,245	+ 3.8	65% free	
\$12,264	- 1.7%	57% free	

3. Using the information from the table in question 2,
- A) What relationship or connection do you see between **economic freedom, economic growth, and per capita GDP**?
- B) Explain **why** you think this relationship or connection exists.

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