The Economic Systems of Israel, Saudi Arabia, and Turkey

There are many different types of economic systems in Southwest Asia. Many countries of Southwest Asia have mixed economies with different levels of government control. Some countries are less developed than others in the region. Oil is the most profitable resource in the Southwest Asia. Many Southwest Asian nations get most of their wealth from oil exports. Other nations, like Israel, Lebanon, and Turkey, are not rich in oil, and so they must export other products. Available natural resources greatly determine what a country exports and imports.

The natural resources of a country can affect economic growth. Most Southwest Asian economies were once based on farming. Cash crops have included grain, silk, and cotton. When oil was discovered, it became the main source of money for many countries in the region. Governments with large oil reserves stopped investing in other parts of their economies. For the last sixty years, the region's main export has been oil.

Countries in Southwest Asia that do not have oil are often poorer than countries that do. The region has many deserts and mountains but few rivers. This physical makeup causes it to be more difficult to produce and transport goods. Countries often spend money made from exporting oil on imports of items that are not available in the region. The region imports much of its food and other essential products.

Israel

Israel's economy is the most developed in Southwest Asia. Aid from the United States is a major reason this is true. Israel has a mixed economy that is also technologically advanced. This has allowed Israel to make up for much of what the country lacks in farmland and natural resources. The Israeli government and private Israeli companies own and control the economy.

Israel does not have many natural resources. Israel depends heavily on imports of grain, oil, military technologies, and many other goods. Israel relies heavily on U.S. economic and military aid.

War is a major threat to Israel. A large number of immigrants also present challenges to Israel's economy. The Israeli government has taken control of certain economic activities in order to address the warfare and immigrant problems. The Israeli government controls most activities related to agriculture.

Saudi Arabia

Saudi Arabia has a mixed economy. Though much of Saudi Arabia is desert, the country has rich oil reserves that allow the Saudis to buy most of the goods they cannot produce themselves. The Saudi king and his advisors make most of the decisions about how and where to use oil profits.

Saudi Arabia's economy depends predominantly on oil, its main export. Oil accounts for well over half of Saudi Arabia's economy. Oil funds the country's education, defense, transportation, health, and housing. Saudi Arabia also has commercial manufacturing and financial industries. The oil industry has made the Saudi royal family quite wealthy. Saudi Arabia now encourages the development of industries other than oil in order to make its economy stronger.

Turkey

Of Israel, Saudi Arabia, and Turkey, Turkey has the least amount of economic freedom. The government of Turkey controls the country's economy. Turkey's economy, however, is not a pure command economy. Turkey's economy is developed and a mixed economy.

In the last century, the government of Turkey has played a major role in helping its economy to grow. After World War I, the Turkish government invested large amounts of money in Turkey's weapons and steel industries. After World War II, many people objected to the Turkey's government having so much control over the economy. Industries such as airlines, railroads, telephone, and television have been controlled by the government in the past. However, by the 1980s, the government had begun to allow private businesses more control. Today, more private ownership has been allowed, and more laws have been passed to protect business owners.

Turkey's major industries include textiles, oil refineries, iron, steel, food chemicals, and machinery production. A large part of the Turkey's economy is based on agriculture. Turkey consistently ranks among the world's top ten nations for agricultural output. Its key crops are hazelnuts, figs, pomegranates, watermelons, and cucumbers. As Turkey continues to modernize, its agriculture continues to decline.

The service industry makes up about half of Turkey's economy, just as it does in Israel. The entrepreneur Aydin Dogan controls the largest oil and gas company in Turkey, as well as two television networks and two newspapers. Entrepreneurs now play an important role in Turkey; entrepreneurs are new to Turkey.