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## **THE IMPACT OF THATCHERISM ON THE WORLD ECONOMY**

The world economy has been greatly influenced by the policies of the former British Prime Minister Margaret Thatcher, commonly referred to as “Thatcherism”. Thatcherism is an economic and political ideology based on free-market economics, privatization, and deregulation. It was first implemented in the United Kingdom during the 1980s and has since been adopted by many other countries around the world.

Thatcherism was heavily influenced by the economic theories of Milton Friedman. Milton Friedman served as an adviser to the Thatcher government from 1979 to 1990 as it developed a free-market economy, low taxation, and the sale of state-owned industries. Mr. Friedman believed that tax-funded government spending was appropriate only to the most limited set of “public goods”, such as national defence.

But as effective and good for society as Friedman's theories and views were, Margaret Thatcher used them in her own way. This policy adhered to a number of the following principles, which are still relevant:

- **Free-market economics:** The belief in the power of the market to drive economic growth and create wealth, with minimal government intervention.
- **Privatization:** The transfer of state-owned industries and services to private ownership, in order to increase efficiency and competition.
- **Low taxes:** The belief that lower taxes encourage entrepreneurship and investment, and stimulate economic growth.
- **Deregulation:** The removal of government regulations that are seen as hindering business growth and innovation.
- **Individualism:** The emphasis on personal responsibility and self-reliance, rather than reliance on the state or collective action.
- **Strong leadership:** The need for a strong, decisive leader who can make tough decisions and implement bold reforms.
- **Nationalism:** A belief in the importance of national sovereignty and the protection of national interests, particularly in relation to the European Union.
- **Limited government:** A focus on reducing the size and scope of government, in order to reduce bureaucracy and increase efficiency.

It is worth adding an important fact about deregulation. Thatcher’s economic policies also had a significant impact on the banking sector in Britain. Her government deregulated the financial industry, which led to an increase in competition and innovation in the sector. This helped to make London one of the leading financial centers in the world.

Thatcher's policies also led to the privatization of many state-owned banks, such as the Trustee Savings Bank and the National Westminster Bank. This move aimed to increase efficiency and reduce government intervention in the banking sector.

Public opinion on Thatcher's policies was divided. Some people believed that her policies were necessary to modernize and revitalize the British economy, while others criticized her for causing widespread unemployment and social inequality. Many also criticized her for handling the miners' strike and other labor disputes. Overall, her legacy remains controversial and continues to be debated.

Economists' opinions on Thatcher's policies are also divided. Among those who supported her were Milton Friedman, Friedrich Hayek, and Alan Walters. There were also those who opposed: John Kenneth Galbraith, Paul Krugman, and Joseph Stiglitz.

From the above, it can be concluded that Thatcherism has had a significant contribution to the world economy. Its policies of deregulation, privatization, and reduced government spending have opened up markets and allowed businesses to operate freely. This has led to increased foreign investment, which has helped to spur economic growth in many countries. Additionally, these policies have also helped to reduce inflation, increase employment, and create a more stable economic environment.

Despite the pressures and economic recession, a great deal of criticism from the public and some economists, Thatcher was unwilling to change her political and economic line and stuck to her policies to the end. Interest in her personality and policies has not subsided even decades later.

It is also worth pointing out that the World Bank and The International Monetary Fund adopted many of the principles of Thatcherism in its policy. In addition, many countries around the world have implemented economic reforms based on Thatcher's policy principles. This has helped to ensure economic growth and improve living standards in many countries, as well as sparked a discussion about the role of government in the economy.

The legacy of Margaret Thatcher remains a topic of debate and analysis. Her policies continue to shape contemporary politics and society, and her approach to issues such as labor unions, social welfare programs, and public services has left a lasting impact. While opinions on Thatcherism vary, it is important to understand its influence on the political landscape and its ongoing relevance in modern times.

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