

As we can see, Texas is incredibly rich in natural resources, but it hasn't stopped its development in this sphere only. It has gone further developing modern ways of running business introducing low tax burden, unique market-orientated atmosphere in companies and welcoming business environment. Beyond energy and resources, a wide range of progressive sectors are thriving within the territory of the state and ensure growth for decades.

Reference

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LIBERALIZATION AS A TREND IN THE WORLD ECONOMY

Либерализация как одна из тенденций развития мировой экономики

The world economy is a set of national economies linked together by the international division of labor and international economic relations. There are 3 main trends in the development of the world economy.

The first trend in the development of the world economy is globalization. The second development trend is post-industrialization.

And the third development trend that will receive the most attention is liberalization. Liberalization is the expansion of the freedom of economic action of economic agents and the removal or reduction of restrictions on economic activity. The government restricts the economy through interference in the price formation process, discouraging entrepreneurship, high taxes, corruption, traditions, etc. But it should be pointed out that economy cannot exist entirely without constraints. Depending on the degree of restriction, there are market economy, mixed economy, command economy.

Market economy is the most efficient system of economic activity. But clear market economy has a bunch of problems. The government can overcome the disadvantages of market economy. There are some indexes that can characterize a country's economy, whether it is free or not. Among all of them, Index of economic freedom can be highlighted.

The Index of Economic Freedom gives an indication of whether a country's economy is free or not. According to the index, countries can be free, mostly free, moderately free, mostly unfree and repressed. Most countries are moderately free and mostly unfree. The global average index value for 2022 is 60 (the boundary between moderately free and mostly unfree). The highest scoring countries are Singapore, Denmark, Ireland, New Zealand, Luxembourg, Taiwan and Estonia.

In addition to the above factors influencing economic freedom, the country's institutions, among which inclusive and extractive institutions should be singled out, occupy a special place. **Extractive** — aimed at excluding the majority of society from political decision-making and income distribution. **Inclusive** — aiming to include as much of society as possible in economic and political life. Inclusive institutions are characterized by constant innovation, creative destruction.

Venice is a good example. It initially had inclusive institutions. It was a developed and wealthy country because of its favourable geographical location, innovation in contract law, independent elections of state officials, an early analogue of future public limited companies. But the old elite's fear of being devalued led them to impose reforms that restricted the freedom of economic actors, especially those who were engaged in commercial activities.

To sum up, the more free an economy is, the more developed it is. If you take Singapore, when you analyze the economy of that country, you notice that the economy of such a developed country is based on small and medium businesses. The government has spent hundreds of millions of dollars on infrastructure, research funding, development and recruitment of the best international scientists. On the other hand, North Korea has the lowest index score for economic freedom. North Korea is the most centralized and closed state. The state is restricting the economy. But the example of Singapore shows that the state can also help the economy.

References

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