Introduction: Varieties of Thatcherism*

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Margaret Thatcher was one of the most controversial figures in modern British history. No Prime Minister since Gladstone aroused such powerful emotions, or stirred such equal measures of hatred and veneration. For her admirers, she was 'the greatest living Englishwoman',[1] a new Churchill who had reversed decline, defeated socialism and restored Britain's place in the world. For her critics, she was a small-minded bigot, who destroyed British industry, widened inequality and unleashed a new era of greed and rampant individualism.

Yet if commentary on the Thatcher years is often very polarised, the period itself offers a nest of contradictions. Thatcher was the first Prime Minister since the Great Reform Act to win three general elections in a row; but the first since Neville Chamberlain to be evicted by her own party. She was the only Prime Minister of the twentieth century to give her name to an ideology, but there is no agreement on what it was or who believed in it. In electoral terms, she was the most successful party leader of the modern era, but she won a smaller share of the vote than any Conservative government since 1922, and fewer votes in absolute terms than her successor, John Major.

The Thatcher years have inspired a substantial literature, drawn from every point on the political spectrum. There are at least twenty-five biographies of Margaret Thatcher, numerous documentaries and dramatisations, and an unusual array of diaries and memoirs. Journalists, economists and political scientists have all engaged closely with the period, as have sociologists, scholars of gender politics and historians of popular culture. Regional studies have begun to emerge, and there is a significant literature on the political legacies of Thatcherism.[2] The result has been a rich, diverse and often very impressive body of scholarship that is already more extensive than for any other government of modern times. Is there any need, then, for a further volume?

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This is not a new biography of Margaret Thatcher; nor is it a comprehensive survey of the Thatcher years. Instead, it offers a fresh perspective on the period from the viewpoint of the historian. As the 1980s recede in time, and as papers and archives become more readily available, 'Thatcherism' is emerging as a major field of historical research. Scholars such as E. H. H. Green, Brian Harrison and Richard Vinen have challenged the tendency to view the Thatcher era in 'splendid isolation', and have reconnected the period to the social, political and cultural history of the twentieth century as a whole.[3] This volume seeks to broaden and extend that engagement, by drawing together scholars from many different areas of historical enquiry. The approach is both historicist and comparative, locating the Thatcher era within a range of different contexts. The essays that follow explore the place of Thatcherism within the political, cultural and economic crises of the 1970s; they consider its relationship with Europe, the Commonwealth and the Atlantic world; and they assess the different experiences of the Thatcher governments for class, gender and regional identities. They restate the importance of the Cold War context and restore a 'four nations' approach to the history of the United Kingdom in the 1970s and 1980s. This introduction offers a framework for the chapters that follow, beginning with a brief overview of the Thatcher era, before proceeding to an analysis of the key themes that dominate existing scholarship on this period.

The grocer's daughter

Margaret Roberts was born in Grantham in 1925, the second child of Alfred and Beatrice Roberts. Her father was a grocer and Methodist lay preacher who rose to become mayor of Grantham, and he encouraged his daughters to take an interest in politics. Alfred took Margaret to meetings of the council, and she sat in the public gallery of the magistrates' court where her father served on the bench. There was a strong emphasis on discipline and self-improvement: as Margaret recalled years later, 'I always got the books I wanted. But no pleasures.'[4]

In 1943 Margaret won a scholarship to Oxford, where she studied Chemistry at Somerville. University life offered a welcome relaxation from the strict regimen of Grantham: she attended her first dance, smoked her first cigarette and tasted alcohol for the first time.[5] Though excluded by her gender from the Oxford Union, she joined the University Conservative Association and became only the third woman to hold the presidency.

Leaving Oxford in 1947, Margaret worked for a short period in industry as a research chemist. In 1950 she contested the safe Labour seat of Dartford for the Conservative Party, cutting the Labour majority by 6,000 votes; and, as the youngest Conservative candidate in the country, her campaign drew considerable attention from the media. It was in Dartford that she met two of the most important men in her life: Ted Heath, who would promote her to the Shadow Cabinet in 1967; and Denis Thatcher, whom she married in 1951. After a brief period away from active politics, in which she passed her Bar exams and gave birth to twins, she was elected in 1959 as Conservative MP for Finchley. She would hold the seat for almost thirty-three years.

Thatcher entered Parliament during the Conservative ascendancy of 1951–64, and quickly made an impression. In 1961 she was given her first ministerial post in the Department of Pensions and National Insurance, and six years later she was appointed to the Shadow Cabinet with responsibility for fuel and power. When the Conservatives returned to office in 1970, she became Secretary of State for Education. There she acquired the nickname 'Thatcher the Milk Snatcher', after withdrawing free school milk from children in primary education. *The Sun* labelled her 'The Most Unpopular Woman in Britain', and her decision attracted a torrent of public abuse.[6]

As the only woman in Heath's Cabinet, Thatcher acquired a significant public profile, but few would have tipped her for the leadership. As a woman whose origins lay in the provincial lower-middle class, she did not fit the mould of previous party leaders; and until 1975 the height of her ambitions appears to have been the Exchequer. Yet the culture of Conservative politics was undergoing a change, which opened up new possibilities for a woman of Thatcher's background. Defeat in 1964 had triggered a reaction within the Conservative Party against the patrician style of Harold Macmillan and Sir Alec Douglas-Home. Between 1965 and 1997, the party elected four leaders in succession from relatively humble backgrounds, each of whom could claim an authentic connection with the lives of 'ordinary' voters. This cultural shift was sharpened by changes in the party's internal procedures. Thatcher would never have achieved the premiership before 1964, when the leadership was in the gift of a 'magic circle' of party grandees; but the move to election by MPs gave greater scope to candidates who defined themselves against the party establishment.

Thatcher played little role in these developments, but she rode them expertly. Since leaving Grantham in 1943, Thatcher had played down her provincial background, acquiring the poise and accent of

the Tory *grande dame*. She had rarely returned to Grantham after moving to Oxford, and references to her father were fairly scant before the 1970s. The tone of these remarks was sometimes ambivalent; and while she credited her father with stimulating her *interest* in politics, there was little sense as yet that its *substance* was derived from this source. The image of Thatcher as 'the grocer's daughter' was partly a media construction, fashioned by interviewers and political journalists eager to establish a creation myth for this new and interesting figure. Yet it was keenly embraced by Thatcher herself, for it allowed her to refashion her public profile in the image of the society she hoped to lead. By reactivating her provincial roots, Thatcher could soothe anxieties that the wife of a millionaire, living in a privileged metropolitan culture, would have difficulty appealing to a mass electorate.[7]

Heath had always known that he was likely to face a leadership election in 1975. His position had been weakened by successive electoral failures in 1974, and the Tory right was in rebellion over the alleged U-turns of 1972–3. The most likely challenger was Keith Joseph, but he destroyed his chances with an ill-judged speech at Edgbaston, which appeared to advocate eugenic policies.[8] Thatcher, who entered the leadership contest in his stead, was viewed primarily as a stalking horse, but her position was stronger than at first appeared. Given the fate of the Heath government, the fact that she had never held an economic portfolio, or played any obvious role in the decisive events of that ministry, could be turned to her advantage; and a strong result for Thatcher offered the only prospect of a second ballot in which other potential candidates could stand. After a skilful campaign, masterminded by Airey Neave, she caused a sensation by defeating Heath in the first ballot. Unexpectedly established as the front runner, she secured outright victory on the second ballot, becoming leader of the Conservative Party on 11 February 1975.

The party Thatcher inherited was in some disarray. By 1975, the Conservatives had lost four of the last five general elections, and the party was losing support in all parts of the United Kingdom. Its share of the vote had declined from almost 50 per cent in 1955 to 35.8 per cent in October 1974, and it was in third place behind the Liberals among first-time voters. The Conservatives' most recent period in government, the Heath administration of 1970–74, had collapsed into a chaos of recriminations after a protracted confrontation with the miners. The party, it seemed, could neither work effectively with the unions nor impose its authority upon them, raising questions about its capacity to govern at all in a modern corporatist state.

At a time when the Conservatives needed to broaden their appeal, and to prove that they could build a constructive relationship with organised labour, it was not at all clear that Thatcher was a sensible choice of leader. To her many critics, Thatcher was a suburban housewife with no experience of high office, who seemed neither willing nor able to expand the party's constituency. Her personal powerbase remained precarious, and she was outnumbered by Heathites even within the Shadow Cabinet. Her predecessor was openly hostile, and she operated throughout her period in opposition under the shadow of a Heathite restoration.

Had an election been called in 1978, the Conservatives might well have lost and Thatcher's leadership would almost certainly have come to an end. But the Labour Prime Minister, James Callaghan, delayed the election until 1979, ensuring that the country went to the polls under the shadow of industrial unrest. The public sector strikes of 1978–9 – the so-called 'Winter of Discontent' – destroyed Labour's claims to a superior governing competence, and handed the electoral advantage to the Conservatives. With 44 per cent of the popular vote, the Conservative Party won a majority of forty-three seats, with a lead over Labour of seventy MPs.

The first term (1979–83): back from the brink

The first term was dominated by economic policy. On public sector pay and reform of trade union law the government moved cautiously. Ministers accepted a raft of inflationary pay awards, while labour reforms focused on trade unions' internal procedures, rather than on the right to strike. In macro-economic policy, however, there was a radical change of direction. The new Chancellor of the Exchequer, Geoffrey Howe, cut the top rate of income tax from 83p to 60p in the pound, and the basic rate from 33p to 30p. To compensate, VAT was increased from 8 per cent to 15 per cent. To squeeze out inflation, interest rates rose to 17 per cent by the end of 1980. The government removed all controls over the exchange of foreign currency and ambitious targets were published for control of the money supply, embodied in the Medium-Term Financial Strategy of 1980.[9]

The effects were seismic. Between 1979 and 1981 the manufacturing sector contracted by 25 per cent, buffeted by a combination of high interest rates, tight monetary policy and a soaring exchange rate. GDP shrank by 2 per cent in 1980 and by a further 1.2 per cent in 1981, in a recession that was both deeper and longer than ministers had anticipated. Unemployment escalated from 1.3 million in 1979 to over

3 million in 1983, where it remained until 1987. Inflation – which had stood at 8.3 per cent in 1978 – hit 22 per cent over the Conservatives' first year in office, and did not fall below the 1978 level until 1983.

The pressure to change course was overwhelming. In a letter to *The Times* in March 1981, 364 university economists insisted that government policy had 'no basis in economic theory'. The monetarist experiment, they warned, would 'deepen the depression, erode the industrial base of our economy and threaten its social and political stability'.[10] As if to prove the point, riots broke out in Brixton, Southall and Moss Side. In June 1981, the government's approval ratings hit a record low of −43. For much of 1981 and 1982 the Conservatives occupied third place in the polls, trailing both Labour and the newly formed Liberal–SDP Alliance.

Slowly, however, the economy began to improve. Inflation fell from a yearly rate of 18 per cent in 1980 to 11.9 per cent in 1981. By 1982 it was 8.6 per cent, plunging to 4.6 per cent in 1983. Interest rates declined from 17 per cent to 9 per cent, while a fall in the value of the pound eased the pressure on exports. After two years of contraction, GDP grew by 2.2 per cent in 1982 and 3.7 per cent in 1983. How much credit the Thatcher government could take for all this remains contested, but its political significance cannot be doubted.[11] By standing firm against all opposition, Thatcher and Howe had exorcised the memory of the Heath U-turn; and, as the outlook brightened, they could claim vindication for their tough economic medicine.

Economic uplift coincided with a major foreign policy crisis. On 2 April 1982, Argentine forces landed in the Falkland Islands, a British colony since 1833. Sovereignty had been contested by Argentina for many years, and in 1978 the Callaghan government had sent naval reinforcements to the region to discourage an attack. The invasion was a humiliation that could well have destroyed the government. The Labour leader, Michael Foot, accused ministers of betraying the islanders, and challenged them to 'prove by deeds' that 'foul and brutal aggression does not succeed'.[12] The crisis was viewed as the supreme test of Thatcher's capacity to lead, and the recapture of the islands became one of the defining moments of the Thatcher premiership. Whether it proved decisive at the following election, as widely claimed, is doubtful;[13] but failure would probably have cost Thatcher the premiership and would have made it harder to deploy patriotic defence as an electoral weapon. Instead, it was the opposition that suffered the political fallout. Despite Foot's determined stand, the Labour Party was visibly divided over the war, establishing defence as a clear electoral advantage for the Conservatives.

By July 1982, Thatcher's personal approval ratings had reached 52 per cent – up by 27 points from the previous December. For most of the next two years the Conservatives rarely dipped below 40 per cent in the polls, as Labour dissolved into fratricidal conflict and the Alliance lost some of its early momentum. When Parliament was dissolved in June 1983, the Conservatives won a landslide. Though their share of the vote fell slightly from 1979 (from 44 per cent to 42.4 per cent), they won an overall majority of 144 seats. Labour only narrowly held onto second place in the share of the vote, beating the Alliance by 27.6 per cent to 25.4 per cent, but the new party was denied its breakthrough by the electoral system. While Labour achieved a roughly proportional result – winning 32 per cent of the seats on 27.6 per cent of the votes – the Alliance secured more than a quarter of votes cast, but a paltry 3.5 per cent of seats. The big winners were the Conservatives, who returned 61 per cent of MPs on 42.4 per cent of the vote.

The second term (1983–7): high Thatcherism

With their majority secure, the Conservatives continued the programme of radical reform. Privatisation, in particular, emerged as a central component of Thatcherite policy. The sale of council houses, initiated in the first term, was accelerated and expanded, while giants like British Telecom, British Gas, British Airways and Rolls-Royce were all transferred into private ownership. Revenues from privatisation, which had never exceeded £494 million a year in the first term, rose to more than £10 billion over the course of the Parliament, while the flow of North Sea oil revenue became a flood. In the five years from 1983 to 1987, government oil revenues totalled £41.6 billion – more than double the figure for the previous four years. Given that oil revenue had been a mere £25 million as recently as 1975, this was a substantial windfall. As well as paying off public debt, this allowed the new Chancellor, Nigel Lawson, to make further reductions in direct taxation. The main rate of corporation tax was cut from 50 per cent to 35 per cent, while the small business rate fell from 30 per cent to 25 per cent.[14] There were further cuts in the basic rate of income tax, which fell from 30 pence to 27 pence in the pound.

There were also curbs on union power and local government – both seen as bastions of the left. Union membership was banned at the government intelligence communications centre, GCHQ, while the 1984 Trade Union Act required secret ballots for union officers and removed legal immunity from unions that held strikes without balloting. Caps were imposed on local taxation, and the metropolitan councils and the

Greater London Council were abolished. The Anglo-Irish Agreement (1985) and Single European Act (1986) opened up new directions in European and Irish policy, while a deregulation of financial services in 1986, known as the 'Big Bang', transformed the City of London.

The main crisis of the Parliament was the miners' strike of 1984–5. The year-long strike, called in response to a national programme of pit closures, was one of the iconic events of the Thatcher era. It was only the second national coal strike since the 1920s, and the most recent shutdown had destroyed the Heath government in 1974. When a strike had seemed possible in 1981, the government had made concessions; but it used the time gained to build up coal reserves, improve strike planning and prepare for a future conflict.

As David Howell shows in Chapter 8 of this volume, the miners' defeat was not simply a case of Thatcherite resolution succeeding where Heathite prevarication had failed. The dispute in 1973–4 had been about pay, at a time when pay agreements were determined nationally, and this made it easier to achieve solidarity across the industry. That was harder to achieve when the issue was pit closures, for it required pits whose futures were apparently secure to strike in sympathy. The National Union of Mineworkers, led by Arthur Scargill, took the controversial step of striking without a national ballot, alienating public support and ultimately landing the union in court. Four nuclear power stations had opened since 1976, providing an alternative source of energy, while stockpiles of fuel and the increased supply of North Sea oil diminished the government's reliance on coal.

The political consequences of the strike were ambiguous. On the one hand, victory cemented Thatcher's authority and exorcised the demons of 1973–4. Norman Tebbit later said that it broke 'not just a strike, but a spell', re-establishing the authority of government over organised labour.[15] Yet the government's approval ratings sank dramatically after the miners returned to work, falling from 42 per cent at the beginning of the strike to just 23 per cent by August 1985.[16] Once beaten, the miners seemed more to be pitied than feared; and Thatcher's rhetoric appeared, to some voters, unduly triumphalist. The violent scenes in and around the strike may have persuaded many voters that the battle needed to be won, but they also entrenched a perception that Thatcherism was socially divisive. In so doing, they undermined any lingering pretensions the government may have had to the mantle of 'One Nation'.

The third term (1987–90): decline and fall

Nonetheless, when Parliament was dissolved in June 1987, the Conservatives won a second landslide victory. With 376 seats and 42.3

per cent of the vote, they had a parliamentary majority of 102, enabling them to undertake further radical reforms. The basic rate of income tax, reduced shortly before the election from 29p to 27p, was cut further to just 25p, while the top rate was slashed from 60p to 40p. New privatisation measures were introduced, and further reforms were signalled in local government. However, the economic climate was about to take a turn for the worse, with dramatic effects for the government's popularity.

The first warning came with a stock market crash in October 1987, in which the FTSE lost a quarter of its value. Though the so-called 'Lawson boom' triggered 5 per cent growth in 1988, inflation re-emerged in 1989, with a spike in the retail price index of 7.8 per cent. As interest rates climbed, reaching a high of 15 per cent, growth slowed to 2.3 per cent in 1989 and 0.8 per cent in 1990, before tipping back into recession in 1991. By 1989, the government's ratings were down to −36, their lowest since 1981, plunging to −42 in 1990. Though Thatcher remained more popular than her party, her own ratings reached −32 in June 1990.

As the climate worsened, old alliances began to fray. Howe was demoted in July 1989, removed from the Foreign Office to the less prestigious post of Leader of the House of Commons. Lawson resigned three months later, exasperated by the influence of Alan Walters as the Prime Minister's chief economic advisor. Thatcher was accused of an increasingly autocratic style and, in December 1989, she was challenged for the party leadership by Sir Anthony Meyer. Socially liberal and pro-European, Meyer was easily defeated; but the failure of 60 Conservative MPs to back Thatcher was a straw in the wind. His action broke – as it was intended to do – the taboo against challenging a serving Prime Minister, paving the way for the events of 1990.[17]

Two issues proved especially toxic for the government: the relationship between Britain and Europe, and local taxation. The Community Charge – or 'Poll Tax', as it was widely known – was introduced in England and Wales in April 1990, having been trialled in Scotland a year earlier. It was a flat-rate tax levied on all adults, and was intended to make local councils more accountable financially to their electorates. The tax was widely perceived as inequitable and, disastrously, initial bills proved higher for most households than the system it replaced. Opposition to the tax was widespread, and serious public disorder at an anti-Poll Tax demonstration in London in March 1990 encouraged a perception that the government was losing its grip.

The Prime Minister also took an increasingly hostile stance towards the European Community. Thatcher had warned in 1988 against 'a European super-state exercising a new dominance from Brussels';

and on 30 October 1990 she dismissed a whole series of proposals for Community reform, declaring robustly that 'we have surrendered enough'.[18] Two days later, Howe resigned from the government, accusing Thatcher of promoting a 'nightmare image' of 'a continent that is positively teeming with ill-intentioned people'. In an electrifying resignation speech, Howe openly invited a leadership challenge: 'The time has come for others to consider their own response to the tragic conflict of loyalties with which I have myself wrestled for perhaps too long.'[19]

His appeal was answered by Michael Heseltine, a Thatcher critic since his resignation from the Cabinet in January 1986. Though Thatcher won 204 votes in the first round of voting, 152 MPs voted for Heseltine, while 23 abstained or spoiled their papers. Thatcher's authority had been damaged beyond repair; and, under pressure from the Cabinet, she announced her resignation on 22 November 1990.

Thatcher's resignation prompted extraordinary reactions from both supporters and opponents. At Glasgow Airport the news was announced over the tannoy, drawing cheers from travellers and impromptu parties around the baggage conveyers.[20] The journalist Julie Burchill, by contrast, told *The Guardian* that it was 'a terrible day for this country, I feel as if somebody's banged me over the head with a mallet.'[21] At Peterhouse, in Cambridge, the historians Niall Ferguson and John Adamson drank away their misery in Ferguson's study, listening to 'The Death of Siegfried' from Wagner's *Götterdämmerung*. 'As far as I was concerned', Ferguson recalled, 'that was the night that Britain gave up any hope of seriously reforming its post-war institutions.'[22]

Such divergent reactions have also been reflected in commentary on the Thatcher era. Three themes in this commentary are of particular importance to the arguments developed in this book: an extraordinary emphasis on Thatcher as an individual; a preoccupation with the ideological claims asserted for her ministries; and a conviction that her governments had unusual historical significance. We will survey each of these in turn.

The Thatcher effect

One of Thatcher's most striking characteristics was her capacity to inflame the imagination. No other Prime Minister has made such an impact on popular culture, or achieved such notoriety in the pop charts.[23] For her critics, like the writer Hanif Kureishi, she embodied all 'that was most loathsome in the English character'. A. N. Wilson, by contrast, thought her 'truly magnificent on a human level'; her 'qualities of personal greatness outshone what you might think of as her