The 1970s and the Thatcherite Revolution:
Crisis of Ideology or Control?

Les années 70 et la révolution thatchérienne : crise de l’idéologie ou désir de contrôle ?

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ABSTRACT:
There is a familiar analysis of the 1970s in Britain, of a country locked in decline, paralysed by recurring confrontations due to the ideological fault-lines between capital and labour, and reliant on a political system undermined by an unspoken consensus shared by the ruling elite that the most that could await a post-war and post-imperial Britain was a ‘soft landing’. In this analysis, the failures of the post-war right and left in Britain provide a platform for a political outsider, Margaret Thatcher, to over-turn the political apple-cart and usher in a new ideological revolution founded on reinvigorated concepts of economic agency and individual choice. This article will argue that the Thatcherite revolution was not so much a crisis for the traditional ideologies of left and right, as an indication of the way politics had moved beyond ideology. Drawing parallels with the apparent rebirth of socialism in France that ran concurrently with the Thatcherite revolution, this article will suggest that the success of Thatcher owes much to the divorce between image and reality and the symbolic power this allows leaders to deploy subsequently. Ultimately, we will argue, Thatcher was willing to steer the transformation of British society in ways that ran contrary to the principles of those assumed to be her intellectual mentors, in order to satisfy her desire for control.

RESUME :
Il y a une analyse répandue de la Grande Bretagne durant les années soixante-dix qui propose que ce pays fut voué au déclin, paralysé par les affrontements récurrents entre le capital et les ouvriers, et dépendant d’un système politique affaibli par un consensus tacite partagé par la classe dirigeante que le sort de la Grande Bretagne d’après-guerre et postcolonial ne pouvait être qu’un déclassement en douce. Selon cette analyse, les échecs de gauche et de droite ont préparé le terrain pour l’outsider, Thatcher, et lui ont permis de changer la donne politique afin d’effectuer une nouvelle révolution fondée sur des idées redynamisées telles que la primauté de l’acteur économique et le choix individuel. Cet article suggère que la révolution thatchérienne signalait un dépassement idéologique plutôt que la crise des idéologies traditionnelles de gauche et de droite. A base de certaines comparaisons avec la renaissance du socialisme qui se manifeste en France à cette époque, nous attribuons une partie importante du succès de Thatcher à la rupture entre l’image et la réalité et par conséquent le pouvoir symbolique que cela permet aux leaders de déployer. En fin de compte, Thatcher fut disposée à orienter la transformation de la société britannique dans un sens contraire aux principes de ses supposés mentors, afin de combler son désir de contrôle.

KEYWORDS:
Thatcher, Britain, Ideology, Conservative, Labour

MOTS-CLES :
Thatcher, Grande Bretagne, idéologie, Conservateur, Travailliste

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Introduction

Given the fertile terrain that becomes accessible by pursing the notion that the way we remember is indicative of the way we are, as individual and collective subjects, it is understandable that 2014, as the hundredth anniversary of the start of World War I, should have been, and continue to be, the focus of so much critical attention. For the choices currently being made by the governing elite in Britain and elsewhere in Europe, however, one could argue that 2015 offers a host of pertinent commemorative resonances: 70 years since the end of World War II, 40 years since Margaret Thatcher defeated Edward Heath to become leader of the Conservative party in Britain, 20 years since the end of François Mitterrand’s second mandate as the first socialist president of the French Fifth Republic, and ten years since the French electorate shook the foundations of the European project by voting by a clear majority against a draft constitution for the European Union in a national referendum. All of the foregoing events are linked in one way or another with the attempt to create a sense of stability and certainty in the management of national and international affairs, and the unravelling of that ambition that was given a dramatic impetus in the 1970s.

Until the 1970s, mainstream politics in Britain and other advanced societies was underpinned by the stabilising influence of the agreement reached by 44 Allied nations, at Bretton Woods in New Hampshire in July 1944. Mindful of the failures of the Treaty of Versailles, such as the competitive devaluation of currencies that followed among the signatories to that peace, for the first time there would be a properly negotiated post-war monetary order requiring independent nation-states to stabilise their exchange rates by tying them to gold. The rules, regulations and procedures for this new system would necessitate the creation of an International Monetary Fund that could help bridge temporary imbalances of payments between the states that were signatories to the agreement, and the proper functioning of the system would be further underwritten by the resources of what would later be called the World Bank.

By the very beginning of the 1970s, however, the Bretton Woods system began to unravel and consequently the certainties that characterised it. Unlike the immediate post-war period, when the United States held over half the world’s gold reserves and could function as the anchor currency of the monetary system that was convertible to gold, by the 1970s this was no longer the case. The Bretton Woods system already allowed countries to forego converting dollars to gold and simply hold dollars instead. But by the 1960s, the increasing prosperity and competitiveness of countries and regions like Japan and Europe meant that they had the benefits of under-valued currencies in world markets while the United States endured the drawbacks of a rigidly over-valued currency, and could only sustain growth at home and maintain commitments overseas by printing dollars. The ‘Nixon Shock’, administered in August 1971 by President Richard Nixon, in the face of a negative U.S. balance of payments and increasing public debt, resulted from his decision to uncouple the dollar from gold and allow it to float downwards. The surprise element in Nixon’s decision was that he took it without consulting his country’s partners in the international monetary system, but the strains on a system that reflected the ‘almighty dollar’ of a very different era, had long been evident. A new era of floating currencies had begun.

The shock to the world system of Nixon’s decision was amplified by the failure to appreciate fully the geo-political change that would precipitate directly the end of a golden era for economic growth. The true significance of that turning point, however, would emerge when the economic effect of the Nixon Shock combined with the foreign policy effect of a military conflict in the Middle East to produce a perfect storm. Ending the convertibility of the dollar to gold and allowing the currency to devalue might enhance the competitiveness of the US economy, but it was also going to reduce the income of the petroleum producing countries of OPEC, since crude oil was priced in dollars. The full implication of this would become evident in the aftermath of the Yom Kippur War in 1973. The surprise attack on Israel by Syria and Egypt in October 1973, to regain the territory lost in the Six-Day

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2 RADSTONE Susannah and HOOGKIN Katharine (eds), Regimes of Memory (London, 2003).
War in 1967, prompted the US to provide Israel with weapons and other vital supplies. The Arab members of OPEC responded punitively with an oil embargo against the US, and a number of other Western states which, although it ended in the spring of 1974, marked the beginning of a process that would see a quadrupling of oil prices by the middle of the decade. Full employment and the expectation of growth that had prompted the investment in social goods, even in the US, would give way to the new phenomenon of ‘stagflation’, the disastrous combination of low growth and high inflation. This crisis, it could be argued, dealt a fatal blow to the intellectual self-confidence of states that had hitherto believed in their vocation to guide and even intervene in the operation of their market economies, leading to an abdication of responsibility that some three decades later would prompt the worst financial collapse since the Wall Street Crash of 1929.³

The shifting certainties of the right

In the year before Thatcher took the reins of the Conservative party in Britain, in 1974, Friedrich A. Hayek won the Nobel Prize for economics. Hayek’s prize signalled the return of a conception of individual agency that appeared to have been defeated by the welfarist and collectivist consensus that had triumphed during the post-war years among developed nations. In Britain, the Conservatives had preserved the great welfare reforms of their Labour predecessors and continued to invest in the industries nationalised by them. This was the common ground where the social democracy of the Labour leader Hugh Gaitskell and the ‘one-nation’ philosophy of the Tory thinker, Richard A. Butler, met to form the consensus nicknamed “Butskellism”. In contrast to that part of the Conservative party which had pessimistically resigned itself to the apparently irreversible trend signalled by the Labour landslide of 1945, Butler led a group of liberal Conservatives who were determined to make change their ally by re-occupying the middle ground. Armed with policy initiatives that promoted ‘enterprise without selfishness’ and ‘humanised capitalism’, Butler and his colleagues succeeded in fostering a consensus in the Conservative party that the soon to be elected Conservative leader, Margaret Thatcher, would be determined to break, in order to rescue the country from what she saw as the impasse which led 1970s Britain to be commonly characterised as ‘the sick man of Europe’.⁵

Hayek’s The Road to Serfdom had swept to success in the Anglo-Saxon world in the early 1970s, but had first been published in 1944 and been largely ignored by the Conservative party in the post-war years. Only individual maverick figures like Peter Thornycroft and Enoch Powell stood out against the need to reform, promoted by Butler and tacitly endorsed by the emollient Harold Macmillan, and move towards an electorate that was drawn by the collectivising vision of the centre-left. Whether Thatcher had actually read Hayek before becoming leader of her party was a moot point conceded by her intellectual mentor, Alfred Sherman,⁶ but his key economic principle enabled her to wrap a language of experience around a doctrine that expressed itself in moral imperatives and common sense prescriptions about individual self-reliance and living within one’s means. This vulgarisation of economic theory and its translation into a populist idiom that was exceptionally performative in the socio-economic context of the late 1970s, was what would be loosely termed ‘Thatcherite ideology’, and at the heart of it was Hayek’s conviction that one cannot have a collectivist vision without fundamentally undermining freedom:

The various kinds of collectivism, communism, fascism, etc., differ between themselves in the nature of the goal towards which they want to direct the efforts of society. But they all differ from liberalism and individualism in wanting to organise the whole of society and all its resources for

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⁶ YOUNG Hugo, One of Us: A Biography of Margaret Thatcher (Basingstoke, 1989), p 22.
this unitary end, and in refusing to recognise autonomous spheres in which the ends of the individuals are supreme. In short, they are totalitarian in the true sense.7

Two years later, in 1976, Milton Friedman won the Nobel Prize for Economics. The enlightened Keynesian consensus that had dominated post-war politics, on both sides of the Atlantic until the 1970s, was called profoundly into question. The largely untroubled narrative that held that the state could intervene, and with increasing social benefits for everyone, in the operation of the voluntary exchange that is at the root of society, was turned on its head:

A society’s values, its culture, its social conventions – all these develop in the same way, through voluntary exchange, spontaneous cooperation, the evolution of a complex structure through trial and error, acceptance and rejection. […] These […] developed without anyone’s ‘planning’ them that way.8

The vigour that these exchanges gave to society could only be restored if the notion of the individual, acting in pursuit of his or her own interest, could be restored:

Self-interest is not myopic selfishness. It is whatever it is that interests the participants [in the voluntary exchange], whatever they value, whatever goals they pursue. The scientist seeking to advance the frontiers of his discipline, the missionary seeking to convert infidels to the true faith, the philanthropist seeking to bring comfort to the needy – all are pursuing their interests, as they see them, as they judge them by their own values.9

If Hayek’s ideas were able to make a comeback in the mid-70s and, together with Friedman’s analysis, gain such traction among certain sections of British Conservatism, it was because of the vacuum that had opened up on the right. While telling the British electorate that they had never had it so good, Macmillan’s abortive attempt to obtain British membership of the EEC illustrated his perception of the need to find an effective response to Britain’s relative economic decline. Ironically, when Edward Heath secured Britain’s membership in 1973, it coincided with the period when the facts of that decline became starkly incontrovertible. In the boom years for growth between 1950 and 1973, Japan averaged 9.7% annual growth, Germany 6.0%, France 5.1% and Britain only 3.0%: “There is no record of any other economic power falling behind at such startling speed”.10 Baleful ruminations on the nation’s failure were so widespread that it engendered a phenomenon of ‘declinism’. Interestingly, recent reassessments of the 1970s have suggested that the critique of national decline was not unique to either side of the left-right ideological divide, but was in fact exploited by both. While most acute in the 1970s, the widespread feeling that Britain was in decline and falling behind its major rivals was already evident in the late 1950s and 1960s. This ‘declinism’ was used by the centre-left to attack the failings of the Conservative government of 1951-1964. When Thatcher came to power, she also constructed a politics of decline, but this time in order to project what she purported to be her unique ability to reverse the country’s downward spiral.11 Paradoxically, the ground had been cleared for Thatcher by the failure of the traditional left-right diagnoses for Britain’s ills, and the plethora of others that sprung up. The creation of the National Enterprise Board by Labour in 1975 was the latest development in a thirty-year process that had seen the British state take control of key sectors of the nation’s productive capacity without being able to arrest the decline in economic performance. Conversely, there were other advanced nations that were taxed more heavily, had more strikes, spent more on their welfare states and yet proved themselves capable of faster and more sustained economic growth.12 Foreign eyes familiar with Britain, such as the German director of the London School of Economics, Ralf Dahrendorf, analysed the root cause of Britain’s

9 Ibid., p. 27.
lack of forward momentum as essentially cultural. For his part, the American economist Mancur Olson developed a theory of the decline of nations that tied their fortunes to the enjoyment, or not, of peace and stability. The very fact, in his view, that Britain had enjoyed the longest period of immunity from dictatorship and revolution than any other leading nation, had strengthened the hand of interest groups and coalitions that made change more difficult, increasing the prospect of national stagnation.\(^\text{13}\) Given the multiplicity of the explanations of decline, but also their flaws, the opportunity was seized by Thatcher to propose a narrative of renewal that pointed to the failures not only of the government of the mid-1970s, but implicitly its Conservative predecessors also, and that was tightly fastened to a sense of personal conviction as to the future of her country rather than any ideological blueprint.

**The shifting certainties of the left**

The left, however, was not better placed than the traditional right of British politics to resist the rising intellectual tide engendered by the ideas of Hayek and Friedman. The battle for the ideological soul of the Labour party as a genuine party of the left had been engaged for some time. The process which would see the Labour party leadership move to the right, while a significant proportion of the rank and file would move into a left-wing wilderness after the triumph of the Conservatives under Thatcher, was encapsulated in the relationship between Harold Wilson and Tony Benn. When Wilson had promoted Benn to the post of Minister for Technology after the party’s election victory in 1966, he had seen him as one of the party’s great hopes for the future, and even a prospective leader. But once in opposition again, in the light of Benn’s rising stock on the National Executive Committee (NEC) of the Labour Party and the NEC’s increasingly leftist stance, Wilson’s erstwhile enthusiasm turned to disenchantment, expressed in a characteristically Wilsonian manner. Benn was, Wilson is reported to have said, a man who “immatures with age”.\(^\text{14}\) The bone of contention was Benn’s plan for a radical solution to the country’s economic ills which envisaged, once Labour returned to power, an industry bill that would include a vast extension of nationalisation as a key weapon in economic policy. Banking, insurance, building societies, construction, road haulage and shipbuilding would all come under state control and a National Enterprise Board (NEB) would be set up to take control of the twenty-five biggest companies in the U.K.

Notwithstanding Benn’s depiction of Wilson’s appeals to ‘the national interest’ and the virtues of ‘working together’ as ‘absolute rubbish’ in Labour’s general election campaign of February 1974,\(^\text{15}\) the electorate did not share that opinion and Wilson’s attraction to the electorate was more potent than many of his colleagues, as well as the Conservatives, had realised. The return of Labour to office did not, however, immediately provide Wilson with a free hand to deal with Benn and the left-wing party constituency he represented. Labour might have sprung a surprise in the general election of February, but the majority of the votes did not provide it with a majority of the seats in Westminster and it had to go to the country again in October 1974, when it secured a slim majority of three seats. Wilson’s chance to neutralise Benn would be provided by the campaign prior to the referendum on Britain’s continued membership of the EEC. Benn led the opposition from within the cabinet to Britain’s EEC membership, but what infuriated Wilson the most was the way Benn attempted to use his influence among left-wing supporters on the NEC to mobilise it in favour of the ‘no’ camp during the referendum campaign. For Wilson, this amounted to blatant disloyalty aimed at undermining his standing vis-à-vis the cabinet, the party and the wider electorate. When the votes were cast on 5 June 1975, 67% of those participating supported Britain’s continuing membership of the EEC, thus endorsing Wilson’s position. The referendum campaign had illustrated Benn’s growing power base in the NEC, and Benn’s success in persuading members of the cabinet and the parliamentary Labour party of the viability of bringing leading British companies under a state umbrella in the guise of the NEB, led Wilson to act. In the cabinet reshuffle of June 1975 Wilson moved Benn from Industry to Energy, calculating, rightly, that if Benn refused he would carry the responsibility for his departure

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\(^\text{13}\) **OLSON Mancur**, *The Rise and Decline of Nations* (New Haven, 1982).


from the cabinet. Wilson argued that the energy portfolio was vital for Britain’s future, given the remit covering North Sea oil, while quietly ensuring that Benn had been separated from the remit for the NEB, thereby leaving Labour less open to attack from a hostile press for its plans for state control of industry.

The apparent victory over Benn could not reverse the fact that the party was moving in one direction while Wilson was moving in another, or alter the global perception of a British economy that was teetering on the edge of a precipice. Wilson’s shock resignation in March 1976 passed the burden of leadership onto James Callaghan. The scale of the task facing Callaghan’s Chancellor of the Exchequer, Denis Healey, was illustrated on 28 September 1976. Arriving at Heathrow airport on the way to an international conference of finance ministers in Hong Kong, Healey was forced to turn back in order to deal with the turmoil surrounding the pound sterling on international markets. The climax to the debacle came with the despatch of monitors from the IMF to the Treasury, to ensure that Britain abided by the conditions it had imposed, i.e. spending cuts, in the terms for its loans to bail out the British economy. More significantly in intellectual terms, Prime Minister James Callaghan’s speech to the Labour party conference that autumn announced the death of the welfare socialism that had been theorised by the towering figures lionised by the British left for over half a century, such as the Webbs, Tawney, Beveridge, Crossman and Crosland. The left, Callaghan declared, had been living on borrowed time. The cosy world in which growth and full employment could be guaranteed by government spending had gone. In reality, the sterling crisis of 1976 was the most dramatic of a succession of such crises, especially after the oil shock of 1974 had left the British economy in the permanent grip of inflationary pressures that pushed the inflation rate to a peak of 27% in 1975. In that same year, with Kuwait and Saudi Arabia threatening to withdraw their deposits from Britain if sterling could not be stabilised, the only recourse of the Labour government seemed to be whether to contain wage inflation through Tory-style statutory pay restraint, or a Labour-style pay restraint which they might cajole the unions into accepting on a voluntary basis. It was Barbara Castle who summed up the ideological bankruptcy of the post-war Labour party when she scribbled, exasperated, during a cabinet meeting: “I see no reason for the existence of a Labour Government […] We have adopted the Tory mores. The only difference is that we carry out Tory policies more efficiently than they do”.

**The failure of ideology**

One could argue that Castle had, unintentionally, put her finger on something that has already been theorised by political philosophers from across the Atlantic. Ideological causes arose to express the frustrations of people and notably their desire for a decent standard of living. This demand was what fuelled the mass movements of the nineteenth and early twentieth centuries, but in the developed countries of the West at least, these aspirations had been fulfilled for the vast majority of ordinary people. The success of the mixed economy had resulted in unprecedented rises in the standard of living during the decades following World War II, while Keynesian policies and the development of welfare systems had resulted in the social goods and levels of individual material security that would have been regarded as unattainable before the war. The overall effect politically was a cross-party consensus that reduced political competition to a choice between the best means of policy implementation. While one could accuse the proponents of this analysis of suffering from a rather rose-tinted view somewhat conditioned by the unparalleled surge in living standards enjoyed by the vast swathe of society in the Unites States called ‘middle-class’, even in an economic laggard like 1970s Britain, the priority for the majority of workers had become which colour television or package holiday they would choose, rather than the outcome of the class war.

Theoretical perspectives articulated across the Channel offered another approach to the same failure of the old ideologies and the aspirations for a new society that they purported to advance. Jean-

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François Lyotard broke free from the influence of revolutionary marxism from the early 1970s onwards, and began to articulate a critique that profoundly undermined its certainties, or the certainties of any kind of totalizing vision that is a defining characteristic of ideology. While the marxist narrative might have had a coherence in itself, it negated the depth and reality of our existence by trying to force it to fit the contours of its mental discursiveness. The totalising claims of any grand narrative were without legitimacy because they derived from specific contexts. So, for example, the liberating ‘truth’ claims of the Enlightenment project could subsequently lead to results that were the opposite of the proclaimed objectives of their original authors. Consequently, “Dans la société et la culture contemporaine […] le grand récit a perdu sa crédibilité”. So, instead of the unifying and transcendent metanarrative, we could look for self-realisation from more narrowly focused, little narratives that, one could argue, in political terms, were going to have considerable resonance in the following decades, with the emergence of micro-politics, attuned to the heterogeneity of society, forms of engagement characterised by an emphasis on the local, the provisional, the pragmatic, and where judgements were not fixed in advance.

If one looks at what is going on, on either side of the Channel, at the end of the 1970s and the beginning of the 1980s, one might, understandably, conclude that there were antithetical attempts to conjure ideologically-driven solutions to the crisis of the 1970s. On one side, the Thatcherite revolution, on the other, according to one of the famous slogans of the new decade, the pursuit of ‘le socialisme aux couleurs de la France’, as François Mitterrand conquered the nation in 1981, after having conquered the French left during the preceding decade. But looked at more closely, one could ask whether these undoubtedly important changes were genuinely ideological, whether they had any formal coherence or consistency, or whether they were even all that fundamentally distinct from each other.

If Lyotard undermined the justification for the sweeping ambition of marxist or other ideological narratives that envisage changing the human condition, someone like Baudrillard undermined the scope for depth, and one could argue, ultimately difference. Emerging out of the 1970s and into the new decade of promise that would be conjured up by multi-channel television, satellite broadcasting and 24-hour rolling news, Baudrillard questioned not only whether grand narratives could relate to any kind of reality, he questioned whether there could be any reality at all, outside of what was purported to be such by the new communication technologies. Meaning was not anchored in any substantive reality, everything was but a play of surfaces, and shifting ones at that because there was no stabilising depth. Arguing that there was no more mirror of being and appearances, of the real and its concept, Baudrillard drew the conclusion that the revolution of postmodernity amounted to “l’immense processus de destruction du sens, égale à la destruction antérieure des apparence”.

Notwithstanding the tenor of a discourse which Baudrillard himself qualifies as nihilistic, the notion of social and political actors operating in a vacuum where image and reality no longer cohere, is not without justification.

**The politics of control**

As Thatcher’s most perceptive biographer observed: “No British leader had ever been in power for so long and left so little in the depository of the English language”. Her impact did not come from the eloquence of her discourse, but from the soundbites and well-turned phrases written for her, the perfectly timed put-down, and above all the work of the image-makers to whom she willingly submitted. Churchill and his cigar or Wilson and his pipe were certainly images that were exploited, but both operated in a largely black and white era before multi-channel, satellite broadcasting. Thatcher’s manipulation of her image through her decision to ditch the socially stereotyped hats, soften her hairstyle and deepen her voice, was matched by a French president who seemed capable of

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20 BAECHLER Jean, Qu’est-ce que l’idéologie? (Paris, 1976).
23 YOUNG Hugo, One of Us: A Biography of Margaret Thatcher (Basingstoke, 1989), p 428.
metamorphosing into a variety of heroic figures, projecting an image to suit the circumstances he faced. The enduringly potent symbolism of Mitterrand’s red scarf and black broad-brimmed hat was indicative of the way the act of political delegation had been reversed. While in appearance he had been given the mandate to represent the socialist movement, in reality the accretion of symbolic power by him suggested that the movement would not exist were it not incarnated by him. The images of the scarf and the hat, or the immaculate blonde hair and the hand-bag, encoded a political fetishism expressing the notion that these leaders “owe to themselves alone an existence that social agents have given to them”. The fervent belief in Thatcher and her conviction politics as the salvation of British conservatism, like the ‘Mitterrandolâtrie’ in France that had become the focus of socialist expectations, fastened far more on the mysterious objective properties of the person than the viability of their ideas, the power that seems to be its own source, in other words, their ‘charisma’. Whether perceived as ‘le sphinx’ or ‘Boadicea’, at the height of their charismatic potency, there was a widespread disinclination to look beyond these politically fetishized images.

When it came to the ideological postures adopted during the general election campaign of 1979 that would bring Thatcher to power, it seemed as if the roles had been reversed. James Callaghan’s determination to ignore the demands of the NEC and reassure the public as to Labour’s intentions, made him appear the soul of moderate conservatism. So anodyne was the Labour manifesto that Tony Benn wrote, “we have been betrayed by a Labour government”, strengthening the resolve of his followers that thereafter the grassroots had to control the party. All the brashness, hyperactivity and disregard for tradition seemed to be exercised by Thatcher and her camp. On close analysis, however, Thatcher’s promise of renewal was not matched by right-wing revolutionary prescriptions in her party’s manifesto. In key economic policy areas, her manifesto was as vague as the Labour party’s, with promises to cut waste in spending and the money supply but no specifics, and the ritual commitment of all aspiring governments not to cut spending on the NHS. Even when it came to the eternally vexed question of reform of the trade unions, there was little in terms of clear ambition and certainly much less than her predecessor Ted Heath had spelt out when he led the Conservatives into the 1970 general election. The winning strategy, as Thatcher’s publicity guru Gordon Reece had suggested, was not to engage in an ideological battle, but to jump the class divide and appeal to disenchanted Labour voters.

It was not until Thatcher’s second election victory in 1983 that she could confidently attack the British state’s chronic failure to meet the challenge of good housekeeping. Instrumental in that change were the two successive Chancellors of the Exchequer, Geoffrey Howe and Dominic Lawson, the first of whom was to shift the focus of public finance from direct to indirect taxation, while the latter set in motion the policy of privatisation. The first disposal of the 1983 parliament was the national telephone operator, British Telecom, ultimately raising £3.9 billion in what was then the largest equity offering in history. But as others have argued persuasively, Thatcher’s motivation was not ideological but driven by her craving for budgetary rectitude, owing more to the values inculcated by her shopkeeper father than Hayekian principles. Having attacked what she regarded as the inherently spendthrift nature of state enterprise, Thatcher turned to the aspects of civil society that had long been regarded as underperforming. But paradoxically, instead of reducing the weight of what, in Conservative ideology, would have been called the dead hand of the state and, in Hayekian terms, enhancing the operation of autonomous spheres, she oversaw the creation of a plethora of para-governmental bodies. This was most blatant with regard to local government where, as Jenkins puts it: “Thatcher reacted as she did to the shortcomings of the NHS and education. She gathered to herself another corner of the public sector and placed it in the lap of central government”. At its worst, this

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left London as the only major capital without a city-wide administration, as a result of the Local Government Act of 1985 which led to the abolition of the Greater London Council. By 1990, there were approximately 12,000 laymen and women running London on an appointed basis, as opposed to just 1,900 elected borough councillors,\(^{30}\) in what amounted to an extraordinary shift from representative to patronage government.

**Conclusion**

As Eric Hobsbawm perceptively argued, Thatcher was judged by the Conservative establishment to be far more of a threat than an appealing prospect, with regard to the perpetuation of the ideology that had hitherto sustained it.\(^{31}\) Recent and authoritative studies of Thatcher have alluded to the way, even at the height of her success electorally and her unquestioned dominance as Conservative party leader, she was anxious to assert her control\(^ {32}\). In human terms, this was attributable to Thatcher’s knowledge that she was an outsider vis-à-vis the establishment, and a female one at that. Politically, she was driven by the determination not to see her country slip back into the state where, as Wilson had despairingly observed, its very governability was in question. Yet, in pursuing the latter objective, Thatcher’s administration might have liberated economic forces, but it intervened in the lives and liberties of its citizens more than any of its post-war predecessors by imposing more indirect taxes, more regulation of civil society, more forms and more inspectors. Judged by the defining convictions of British conservatism, one could therefore argue that the ideological content of the ‘Thatcher revolution’ is sometimes prone to exaggeration. The most telling example of the way Thatcher had re-orientated British politics in a manner that cut across the old left-right ideological divide, came in 1997, when Tony Blair took Thatcher’s revolution of control and proceeded to make it his.


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