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Introduction

- 1 Most politicians and governments want to leave a legacy; it is their version of immortality. Viewed positively a political legacy usually refers to a leader or government managing to shift the political agenda on to its own favourite ground – and in the process forcing the main opposition party to change its views – or leaving enduring legislation. The Attlee government of 1945 and the Thatcher government of 1979 are often viewed as the two post-war governments which left substantial legacies, the former establishing what is sometimes called the post-war political consensus and the latter replacing it with a more market-oriented economy. It was a shift from social democratic to new right politics.
- 2 The reactions, covering both tributes and celebration parties, to the death of Lady Thatcher in 2013 showed that she was as divisive a figure in death as she was in life. Yet, for good or ill, few doubt that she was a towering political figure, probably the most dominant peacetime Prime Minister in the twentieth century. Now, 36 years after she first entered No 10 Downing St and 25 after she left, it might be time to assess her legacy and ask whether her record is still relevant in current British politics. I do not intend to enter the seemingly endless debate about whether it was good or bad.

Shaping of the legacy

- 3 By 1979 the old so-called consensus still prevailed although it was clearly in a bad shape. Britain's relative economic decline over the previous three decades had been marked and a growing body of critics looked at the consensus as a cause. The main elements covered: the commitment by government to maintain full employment; acceptance of the role of the trade unions, including their involvement in negotiations

over prices and income policies as an answer to rising inflation and the conduct of industrial relations in a voluntary framework in which the law played little part; and a mixed economy, with a large role for state ownership of the utilities and intervention in the private sector¹.

- 4 In a number of respects the Thatcher governments overturned the above policies. First, was the declared abandonment of government attempts to deliver full employment. Henceforth, employment would be the responsibility of employers and employees. The new priority in economic policy was keeping inflation low, without resort to incomes policies. Second, there would be greater selectivity in the welfare state, in an attempt to curb the growth of welfare spending. A good example was the decision to peg annual upratings in welfare benefits (controversially so in the case of old age pensions) to the rate of inflation, rather than the growth in average wages – the latter was usually larger than the former. Third, and perhaps most spectacular, was the privatisation of the major utilities, including gas, electricity, British Airways, telephones. The large sale of council houses to tenants and forcing local government to contract out a number of its services were part of the goal of expanding the role of the market and reducing that of the “inefficient” and tax-supported public sector. Finally, the trade unions were forced to operate in a more restrictive legal framework. The measures included pre-strike ballots, outlawing secondary strike action, ending the closed shop, and removing immunity for union funds in case of illegal actions. The abandonment of income policies limited the opportunities for trade unions to bargain with central government over policies.
- 5 Mrs Thatcher did not operate in a vacuum. While not discounting the skill with which she seized opportunities she was helped by circumstances. Britain’s relative economic decline during the 1960s and 1970s, particularly in the late 1970s was one. The economic decline gave rise to new ideas in think tanks and a ready audience for alternative policies of tax cuts, privatisation, greater scope for markets, charging for public services and reform of trade unions. Her governments also had large Parliamentary majorities although these were largely a function of the first past post the electoral system. With an average of 42% of the vote at general elections, her governments usually had over 60% of seats in the House of Commons. Finally, it helped that the Labour opposition was going through one of its periodic bouts of internal division and adopting vote-losing policies. The rise of the Social Democratic Party, largely a breakaway group from Labour, meant that Labour now faced a rival as the party of opposition.
- 6 Abroad, circumstances also helped. Ronald Reagan was a politically like-minded President of the USA when it came to the free market and hostility to the USSR. The social democratic left was in retreat across much of Western Europe during the 1980s and the collapse of the USSR by the end of the decade was a further blow. Some of the Thatcherite trends were seen in other countries
- 7 But something else was operating. A legacy needs a narrative. Thatcher was helped by a largely right-wing press and think tanks like the Adam Smith Institute, Institute of Economic Affairs and Centre for Policy Studies. There were also supporting groups like the Bruges Group and No Turning Back and sympathetic commentators who helped to keep the flame alive. They all attributed too much internal consistency to her ideas and downplayed the role of accident and contingency but they were effective in fashioning

the idea of Thatcherism. It was often one-sided, what John Major called “an invented golden age”. Supporters continued in this vein long after she fell from office in 1990.

Impact²

- 8 There is no doubt she saw herself as the architect of a new agenda, one that Andrew Gamble describes as a combination of the free economy (lower taxes, self-reliant citizens not relying on the state and more scope for the free market) and a strong state (on defence and law and order)³. When Margaret Thatcher appealed to fellow-MPs not to vote for Michel Heseltine as her successor because he would undo all her work, she had no doubt about the significance of her record and that it would endure. Writing in April 1992, she boasted : ‘Thatcherism will live, it will live long after Thatcher has died because we had the courage to restore the great principles and put them into practice.’ What is remarkable is how she contributed to the personalisation of politics. She coined an “ism” and spoke of herself in the third person. By contrast, the post -1945 set of policies were never called an Attlee agenda or Attlee consensus.
- 9 There is an irony in that the Conservative party has become more Thatcherite since her departure from Number 10. The pro-European and social liberal side of the party which largely voted against her is now no more than a beleaguered rump. As Tim Bale, the party’s historian, notes, “... the right- free-market, small-state, low-tax, tight- borders, tougher- sentences, eco-and Euro-sceptical- is where the solid centre of the party now comfortably resides”⁴. But on the party’s electoral fortunes she was a malevolent influence. She did her best to undermine her chosen successor John Major - actually supporting John Redwood’s challenge to his leadership in 1995 - fomented dissent among MPs and defied the whips over Maastricht. She contributed greatly to the image of a divided party and a weak leadership which led to the party’s humiliation in the 1997 general election. Her approved anti-EU successors, William Hague, Iain Duncan Smith and Michael Howard, all on the party’s Thatcherite wing, made no progress in attracting voters or reshaping the party’s negative image. The party’s 2001 and 2005 election campaigns operated under her shadow ; the first with its anti-euro message and the second with a strong anti-immigration one. The party averaged less than a third of the vote and suffered its sharpest electoral decline in a century.
- 10 Ironically, her influence on the Labour party was more productive. In some respects Blair’s New Labour consolidated her legacy. She has been called the midwife of New Labour. The former Labour MP and academic, Tony Wright, wrote of “How Mrs Thatcher saved the Labour Party”. Buffeted by successive general election defeats in 1979, 1983, 1987 and 1992 a new generation decided to “concede and move on”, in the words of Philip Gould, the New Labour strategist. Labour’s so-called “barnacles”- its association with unreformed trade unions, high taxes, unilateral disarmament, public ownership, and indifference or hostility to wealth creation and business – were all overturned on Kinnock’s and Blair’s watch. And one should not ignore the importance of the Conservatives having been in office for such a long time (18 years), giving it time to embed the policies. A legacy can only be secure once it has been accepted by the political opposition and nothing impacts more than successive election losses.
- 11 By the end of the century the success of the Thatcher agenda was virtually complete. Labour accepted all the privatisation measures, flexible labour markets and the bulk of the trade union legislation, private finance initiatives (now called public-private

partnerships) and the switch from direct to indirect taxes. It accepted the commitment to low inflation and mandated the Bank of England's monetary policy committee to deliver it. In government it extended means testing for a number of welfare benefits, continued to uprate benefits to the rise in prices rather than rises in average wages (meaning they fell in value) and introduced charges in some (e.g. higher education). In health, it accepted, over time, more competition between hospitals and GP fund holding. In education, it accepted, again after a time, the principle of the City Technology Colleges with its introduction of city academies and a variety of different status schools. Labour continued to cap local government's revenue raising. Because her successors continued with Thatcher's centralisation, Simon Jenkins has called John Major, Tony Blair and Gordon Brown 'Sons of Thatcher'⁵.

Discontinuities

- 12 But there were discontinuities even under Labour. After 2001 there was heavy investment in health and education, both of which had suffered spending constraints after 1979. It introduced the minimum wage and accepted the EU's Social Chapter – both of which Conservatives had resisted. It also embarked on a wide programme of constitutional reform, most of which was eventually accepted by the Conservatives. Thatcher, who made so many changes in social and economic policy, was satisfied with the status quo on the constitution. Labour also made much of its policies such as the minimum wage, tax credits, and targeted public spending, for promoting social justice and reducing poverty.
- 13 With his election as Labour leader in 2010, Ed Miliband broke not only with New Labour but with Thatcherism. At the time of her death he expressed admiration for how she had shifted the agenda, even though he disagreed with it. He embarked on a similar project. For the 2015 general election Labour had policies for price controls, higher taxes (on the rich) such as the mansion tax, nationalisation and more regulation, all amounting to a repudiation of what had gone before. Miliband believed that the global financial crisis in 2008 marked a turning point and necessitated a new approach to the economy. Further, the crisis had shown the downside of the neo-liberal model of free markets and deregulation (in a word, the Thatcherism which New Labour had accepted). Contrary to claims that a growing economy ensured a trickle down of prosperity to the less well-off, the reality was that the living standards of ordinary people stagnated while those at the top, particularly in banking and financial services, gained the most. There was a disconnection between economic growth and living standards and ample evidence of greater inequality in the UK and the USA⁶.
- 14 Labour's decisive defeat in 2015 was widely seen as the voters' rejection of Miliband's leftist policies which were seen as being soft on welfare and immigration and still too attached to higher taxes and borrowing⁷. If that was the case, and numerous surveys said it was, then Labour members who chose the next Labour leader in September 2015 disagreed. They elected the left wing Jeremy Corbyn by a landslide. He favoured renationalisation of services, much higher taxes on the well off and business, opposition to all cuts in welfare, an expansion of the public sector and no commitment to NATO. The state was back and the market was out. Labour was out to bury Thatcherism.

- 15 More striking perhaps has been the discontinuity on the Conservative side under David Cameron, elected as party leader in 2005. If Blair before 1997 accepted much of the Thatcher agenda as part of the strategy of showing voters that Labour had changed, David Cameron wanted the party to come to terms with a Britain that had changed since the 1980s. By 2010 only voters in their 40's would have been able to vote in Thatcher's last general election in 1987.
- 16 His starting point was the overwhelming Conservative electoral failures in 1997, 2001 and 2005 and what they said about the party. Many commentators attributed the failures to what was called a core vote strategy and the policies associated with Thatcher. The party had little support in Scotland (where it had just one seat) and the north of England, or among ethnic minorities, women, public sector workers, the poor, and people with alternative lifestyles. Voters identified the Conservatives with a picture of a posh family standing outside a large house and as not caring about the poor and the vulnerable. Surveys of voters who had thought of voting Conservative but did not, found that such voters still thought the party was for the rich and not ordinary people, and would cut benefits⁸. They also showed that levels of approval for policies fell when these policies were linked with the Tory party. The party's brand was "toxic" and the needed to be "decontaminated", to use the terms in use at the time.
- 17 Cameron and his close colleagues were determined to change that image. The Tory modernisation strategy was the attempt of Cameron and his colleagues to emulate what Tony Blair had done for Labour to make it electable. Hence the drive via the A-list of candidates to change the composition of the party's MPs by recruiting more women and ethnic candidates; efforts to work in cooperation with the professionals in health and education; adoption of policies to address social issues, protect the environment, and show more tolerance of alternative life styles (e.g. same sex marriage). His early ambition was to stop the party 'banging on' the EU and immigration because voters were more concerned about schools and hospitals and his party's commitment to both was suspect in the eyes of voters. In a daring piece of cross-dressing he talked of the Conservative party being the main force for progressive politics in the new century, just as before 1997 Blair talked of Labour being a One Nation party. All this amounted to a post-Thatcher Conservative party.
- 18 In office from 2010 the David Cameron of the Big Society, environmental protection, wellbeing, hugging a hoodie, and the A-list of candidates faded. Immigration and Europe rose up high on the list of his concerns and pulled him to the right despite the coalition with the Lib Dems and his early ambition to stop the party 'banging on' about those issues. As Prime Minister he rarely spoke on climate change, once casually speaking of it as "crap" and many of his MPs are sceptics about the claims made by the green lobby. He abandoned the A-list of candidates. The party was even less trusted on the NHS following Andrew Lansley's mammoth and controversial Health and Social Care Act. Osborne's cut in the 50p top tax rate in the 2012 Budget further damaged its image. And austerity has not encouraged a flowering of Big Society projects. As he bent on immigration and the EU to pressures from Ukip and Eurosceptics, so he was seen as reverting to Thatcher type⁹.

Conclusion

- 19 The Conservative modernisers have faced an uphill struggle as long as the government's agenda was dominated by the task of bringing down the deficit. Dealing with the deficit gave rise to a cycle of austerity, benefit cuts, job losses and wage freezes in the public sector and, above all, a decline in the average household's living standards. Although Cameron could point to two major modernising measures, same sex marriage and the commitment to provide 0.7% of GDP on overseas aid, these policies also angered many of his MPs, particularly self-declared Thatcherites. They also encouraged claims that his government, in contrast to Thatcher's, was out of touch with the party's grassroots membership.
- 20 Cameron has faced the inevitable question posed to all Tory leaders since 1990. Was he, as the *Sunday Times* asked in 2013, a Thatcherite? After all, "She remained the gold standard for Conservatives against which all else was measured?"¹⁰. Under pressure he denied he was, on the grounds that labels were misleading. But he also called himself a "commonsense", an "instinctive" and sometimes a "compassionate" Conservative. He also took the view that Thatcherism was appropriate for the challenges of the 1970s and 1980s - high inflation, inefficient and overmanned nationalised industries, and disruptive trade unions. The new century needed new answers. The perceptive Matthew D'Ancona described the essence of his Conservatism, "It was not just personal responsibility that he called for but - more ambitiously - social responsibility" that would, for instance, inspire parents to set up free schools, and charities and volunteers to become involved in socially useful activities¹¹.
- 21 Cameron's flexibility has frustrated those who like monochrome political leaders. Some colleagues praised him for his pragmatism and willingness to adapt, as with the evolution of his policy over Europe. On the other hand, his Conservative critics, usually Thatcherites (anti- EU and right-wing), complain that he has no deep beliefs and seemed just to like being Prime Minister. By 2012-13 they were joined by disappointed modernisers. Left- wing opponents, however, had no doubts that he was the heir to Thatcher and saw his reforms in welfare, health and education as the work of a right wing ideologue. They regarded his talk of a big society as a cover for cutting spending and creating a smaller state¹².
- 22 By 2015, however, Cameron has continued to send different signals, thereby disappointing and leasing modernisers and Thatcherites. The manifesto promise to extend homeownership by allowing tenants of not- for- profit housing to purchase at discounted prices echoed Thatcher's 1979 policy of council house sales. It also repeated her regular frustration with Europe and the need to curb immigration. But rarely was there any invocation of the Thatcher name. The term is more often raised by the left as a form of abuse. On the other hand, he has proclaimed himself as a One Nation Conservative, determined to spread opportunity to the less well-off, despite the abandonment of the A-list there are record numbers of female and ethnic minority Tory MPs in the new Parliament, and on Europe he has said he wants to campaign for Britain to remain in the EU, but a reformed one.
- 23 Her style of leadership and her programme belong to a period and mood in modern British politics, one which she helped to shape. But both are now more suitable subjects for historians than a guide to contemporary politics.

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NOTES

1. For some discussion see Dennis Kavanagh, *Thatcherism and British Politics. The End of Consensus?* 1990.
2. See Dennis Kavanagh and Anthony Seldon, eds. *The Thatcher Effect*, 1989.
3. Andrew Gamble, *The Free Economy and the Strong State*, 1988.
4. “Inside the Tory Mind”, blog, 3 February 2014.
5. Simon Jenkins, *Thatcher and Sons*, Penguin, 2007.
6. For an excellent discussion of Milband’s thinking see Tim Bale, *Five Year Mission*, 2015.
7. On the election see Philip Cowley and Dennis Kavanagh, *The British General Election of 2015*, 2015.
8. Michael Ashcroft, *Smell the Coffee: A Wake-up Call for the Conservative Party*, 2005.
9. On Cameron as Prime Minister see A. Seldon and P. Snowden, *Cameron at 10*, 2015.
10. For a critical and partisan assessment of Cameron’s record see Polly Toynbee and David Walker, *Cameron’s Coup. How the Tories took Britain to the Brink*, 2015. For a more balanced verdict see Anthony Seldon and Mike Finn, eds. *The Coalition Effect 2010-2015*, 2015.
11. Matthew D’Ancona, *In It Together*, 2014, p. 347.
12. D’Ancona, *Ibid.*, p. 347.

ABSTRACTS

The chapter regards a political legacy as success in changing the agenda. Thatcher achieved this and influenced the Labour Party under Tony Blair. That influence was rejected by Labour under Ed Miliband and even more under Jeremy Corbyn. The Conservative modernisation project of David Cameron, shaped by circumstances and electoral calculation, has involved a qualified break with Thatcher’s legacy.

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