# Challenging the Legacy of Thatcher’s Framework

During the Conservative Party’s PM selection process, Liz Truss’ constant espousal and open admiration for what she describes as Margret Thatcher’s legacy and framework shows that she really doesn’t understand what happened during this period of Conservative Government between 1979 and 1992. Truss and others conveniently and frequently overlook that the economic and social legacy of the Thatcher era, with its massive shift from public and social ownership to state subsidised individualism, is still largely intact. While Thatcher successfully used public policy and public funds to create new cadres of Conservative voters, in important and basic economic and social terms she achieved very little.

In 2012 Liz Truss, with follow MPs Kwasi Kwarteng, Priti Patel, Dominic Raab and Chris Skidmore, published “Britannia Unchained: Global Lessons for Growth and Prosperity”. Though this is acclaimed as a Thatcherism bible, it spends most of its time attacking New Labour. It is hardly a serious weighty tome. On page 41, it includes:

“Once they enter the workplace, the British are among the worst idlers in the world. We work among the lowest hours, we retire early and our productivity is poor.”

As an aside, especially in the context of the Truss espousal of a Thatcherite agenda, during this period, between 1979 and 1992 none of Britain’s longstanding problems were solved or remedied. Annualised growth of GDP per capita was 2.09%, compared with 2.31% under Callaghan and 2.59% under Heath. A state sponsored redistribution of wealth ensured that the poorest 10% saw their income decline by 0.29%, while the richest 19% saw their incomes rise by 5.27%. Thatcher left unemployment at 6.1% compared with Labour’s previous 4.2%. Numbers claiming invalidity benefit increased from 770,000 to 1.6mn. Private household debt was 73% of GDP in 1992 compared with 37% in 1979 (Burton Cartledge, 2021, p. 88). This basic rehearsal of the fundamentals of Margaret Thatcher’s thirteen years should surely be a starting point for anyone who seeks more information about this period of Conservative Government which is still hailed as successful by Truss?

Replacing the public sector with nongovernmental activity was a key Thatcher Government policy, which was consolidated under John Major from 1992 till 1997. Measures were introduced to facilitate charitable giving, to promote "quasi-markets" and “encourage contracting-out in fields where volun­tary sector providers co-exist with other sectors” (Le Grand, 1991). To reform public service delivery the 1988 Education Reform Act, 1988 Housing Act, 1988 Griffiths Report on personal social services, 1989 White Paper on the reorganisation of the NHS and the 1989 Local Government Act sought to provide a basis for ‘quasi market’ activity in the voluntary, community and wider third sector.

This was followed by the National Health and Community Care Amendment Act of 1994, “Next Steps” league tables after devolution to Government agencies, using the ‘value for money’ thrust of Major’s 1992 Local Government Finance Act. All this encouraged and substantiated outsourcing to the market, through Major’s role in cementing Thatcher’s legacy.

Under Thatcher and Major, the role of the state changed from funder and provider, so that, for social policy initiatives, including voluntary initiatives, grants were replaced with contracts. The state became primarily a funder, purchasing services from a variety of private, voluntary and public providers, all operating in competition with one another.“If these reforms are carried through to their conclusion, the welfare state in the 199Os will be a very different animal from the welfare state of the previous 45 years” (LeGrand, 1991, p. 1257).

### New Labour and Cameron Keep Thatcher’s Legacy Intact

Most of this approach was maintained intact throughout the New Labour and Cameron years, as typified by Patricia Hewitt’s January 2006 “Our Health, Our Care, Our Say: A New Direction for Community Services” NHS White Paper, Cameron’s Big Society Capital in 2012 (using New Labour’s 2008 Dormant Bank Accounts Act) and the Community Right to Challenge and other “Community Rights” under Cameron’s Localism Act 2011. These approaches are still retained in the May 2022 McAllister Report on Children’s Services, with its recommendation of ‘Regional Care Cooperatives’ as an updated iteration of local government outsourcing.

### References

Burton Cartledge, P. (2021). *Falling Down: The Conservative Party and the Decline of Tory Britain*. Verso Books.

LeGrand, J. (1991). Quasi-Markets and Social Policy. *The Economic Journal*, *101*(408), 1256–1267. http://www.jstor.org/stable/2234441