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The Legacy of Thatcherism and Social Welfare in Britain:

Issues and Perspectives

**Dissertation Submitted in Partial Fulfillment of the Requirements for
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Dedication

This research work is dedicated to our dear parents, family members, teachers, and friends.

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Abstract

During the leadership of the Prime Minister Margaret Thatcher (1979 to 1990), Britain witnessed significant transformations at all levels. Unlike any previous government, this period was characterized by the undertaking of neoliberal policies, and the end of the welfare state which was adopted in the aftermath of the post-World War II consensus. Thatcherism refers to policies advocated by Thatcher, restricted the provision of social welfare, and attempted to improve living conditions by implementing reforms in vital sectors including education, healthcare, housing, and employment. Thatcherism's impact continued in shaping the policies of subsequent governments after three tenures of Thatcher, although this impact on social welfare had been widely debated. This study aims to determine the policies of Thatcherism during Margaret Thatcher era and their impact on social welfare, in addition to the socio-economic outcomes of Thatcherism policies, and contemporary impacts concerning social welfare provision and its relationship to the legacy of Thatcherism. The present study adopts the qualitative approach which uses both the historical and the descriptive method. The study findings revealed that the policies implemented by Thatcher were often effective in addressing the socio-economic issues; however, the socio-economic outcomes of Thatcherism were mixed with negative consequences such as poverty and social inequality.

Keywords: Britain, Neoliberal policies, Social welfare, Thatcherism legacy.

List of Abbreviations and Acronyms

BBC	British Broadcasting Corporation
GDP	Gross Domestic Product
HRCES	Huntingtower Road County Elementary School
IMF	International Monetary Fund
KGGS	Kesteven and Grantham Girls' School
LEA	Local Education Authority
MTFS	Medium Term Financial Strategy
NHS	National Health Service
OUCA	Oxford University Conservative Association
SAPs	Structural Adjustment Programs
UK	United Kingdom
USA	United States of America
VAT	Value Added Tax

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General Introduction

1. Background of the Study

The legacy of Thatcherism and its impact on social welfare in Britain is a subject of significant importance. As Prime Minister in Britain from 1979 to 1990, Margaret Thatcher implemented a series of policies to improve the economic and social conditions, often belonging to neoliberalism, depending on minimizing state involvement, fostering the free market, and prioritizing self-reliance. Thatcher's measures had some far-reaching influences on social welfare. These measures comprised privatizing public services, deregulating economic markets, reforming trade unions, and reducing public spending. Thatcher's government argued that these procedures could grow economic performance, and foster productivity. However, the implementation of Thatcherism policies had a profound impact on welfare state programs. The emphasis on market forces and individualism decreased state support for vulnerable groups and increased social inequality and poverty. In addition, the restructuring of industries led to job losses and economic hardship in some other communities. There have been modifications in budgets in areas along with health and education. The National Health Service confronted financial constraints and market-oriented reforms. Besides, regulations encouraging school choice and competition have been brought in schooling. On the other side, Thatcherism challenged the traditional idea of a comprehensive welfare state, stressing instead individualism and self-reliance. By the end of Margaret Thatcher's tenure with her resignation, the impact of Thatcherism on social welfare continued. The Conservative and Labor governments later maintained Thatcher's policies in running the country. So, because of this enduring effect of the legacy of Thatcherism, it is essential to investigate the long-term outcomes of these policies.

2. Statement of the Problem

The implementation of Thatcherite policies aimed to address economic stagnation and inefficiencies within the public sector, promoting privatization, deregulation, and a free-market economy. However, the long-term impact of these policies on social welfare has been a

subject of extensive debate. While some argue that these measures were necessary for revitalizing the British economy, others contend that they exacerbated social inequalities and contributed to increased poverty levels.

3. Research Questions and Research Hypotheses

The present research attempts to answer the following questions:

Q1: What were the key policies of Thatcherism, and were they effective in addressing the socioeconomic issues in Britain?

Q2: How were the socio-economic outcomes associated with the implementation of Thatcherite policies?

Q3: What are the contemporary impacts of social welfare in Britain, and how they relate to the legacy of Thatcherism?

In light of the above stated questions, this research work tries to test the following hypotheses :

- It is hypothesized that the policies of Thatcherism were effective in addressing the socioeconomic issues in Britain.
- How were the socio-economic outcomes associated with the implementation of Thatcherite policies? The implementation of Thatcherism policies led to a mismatches with the old socio-economic and political practices. Thus, the study hypothesized that neo-liberal policies brought economic welfare to Britain accompanied with social inequalities and poverty.
- The contemporary impacts surrounding social welfare provision in Britain are expected to be highly related to the legacy of Thatcherism.

4. Aims of the Study

This study aims to provide an insight into the policies of Thatcherism in Britain under the administration of Margaret Thatcher. It seeks to examine the ideological roots of Thatcherism and understand the influence of these policies on the implementation of social welfare. Furthermore, the study examines the long-term outcomes of Thatcherism on social

welfare after the Thatcher era. It presents the contemporary impact of social welfare provision in Britain in light of the legacy of Thatcherism.

5. Significance of the Study

The Significance of the study stems from its contribution to the know-how of Thatcherism as political and economic policies associated with Margaret Thatcher. This study is also significant as it attempts to identify the relationship between Thatcherism and social welfare in Britain, by investigating the legacy of Thatcherism, the historical context, policy implications, socio-economic effects of Thatcher reforms and its impact on the subsequent governments. It sheds light on the importance of the lasting legacy of Thatcherism compared to the modern social welfare provision in Britain. The study offers a historical perspective regarding the strengths and weaknesses of Thatcherite policies.

6. Research Methodology

The current study adopts the qualitative method. The historical method was used in the first chapter to demonstrate the historical background of both Margaret Thatcher and her approach to government, Thatcherism, additionally the policies, the reforms, and the effect of Thatcherism in Britain during the three terms of Margaret Thatcher as Prime Minister from 1979 to 1990. In the second chapter, the descriptive method is implemented to describe the lasting legacy of Thatcherism in the present day and its impact on the current provision of social welfare in Britain.

7. Structure of the Study

This dissertation consists of two chapters. The first is theoretical and the second one is practical. The first chapter aims to introduce the topic of Thatcherism and social welfare in Britain and provide background information about it. It provides general information concerning the biography of Margaret Thatcher, the concept of Thatcherism, and its historical background. It examines the policies and the social and economic reforms implemented by Thatcher. Moreover, it discusses the major effects of Thatcherism on Britain from 1979 to 1990. The second chapter

presents the enduring legacy of Thatcherism in the present day. It sheds light on the contemporary impact of Thatcherism on different levels in addition to the social, cultural, and economic legacy of Thatcherism. This part also explains how Thatcherism changed attitudes towards the welfare state after adopting it for decades prior to Thatcherism, and the limitations of the policies of Thatcherism.

CHAPTER ONE

Thatcherism and Social Welfare

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Introduction

Britain from 1979 to 1990 was governed by the Conservative Party, the latter brought a distinctive management approach to politics and economics, which became known as "Thatcherism". Regardless of the variations of the definition of Thatcherism, it is seen as complex in many ways. It depends on the adoption of New Right thoughts to a project that conflates elements of British Neo-conservatism with elements of Neo-Liberalism. Under difficult conditions in the late 1970s, especially the economic recession that hit hard Britain, Thatcherism emerged as an intellectual doctrine during the premiership of Margaret Thatcher in response to the economic challenges faced by Britain in the 1970s, resulting in profound transformations because of the socioeconomic policies that reshaped Britain in all domains with the aim of promoting social life. This chapter provides Margaret Thatcher's biography, as well as the historical background of Thatcherism and its emergence. Besides, it gives an insight about the concept of Thatcherism from different perspectives. It also presents the core principles and policies of Thatcherism including free market economics, privatization, limited government intervention in the economy, individualism, deregulation, tax cuts, and monetarism. Moreover, it sheds light on the key economic and social reforms pursued by the Conservative Party including trade union reforms, healthcare reforms, education reforms, and housing reforms. Finally, the effects of Thatcherism on Britain, especially on the socio-economic aspects such as the economic growth that was achieved under Thatcher's government, also, home ownership, flexible labor market, and low governmental expenditures.

1.1. Margaret Thatcher Biography

Margaret Hilda Roberts, known as the Iron Lady, was born on October 13, 1925, in Grantham, Lincolnshire, England, grew up in the house of her parents Alfred Roberts and his wife Beatrice Stephenson. Muriel was Margaret's only sister and had no brothers. The lower-middle-class family lived above a shop, a grocery that Alfred Roberts had owned since 1919 .

(Thatcher, 2013, p.11).

Alfred Roberts, the father of Margaret Thatcher, was a grocer and local politician, who hailed from Ringstead in Northamptonshire. Despite leaving school at the age of thirteen due to financial necessity, Roberts harbored a deep longing for education, which he pursued through extensive reading and self-study. His journey began in the retail trade, and he ascended through the ranks, initially working as an assistant in the tuck shop at Oundle School. Roberts was also deeply involved in the Methodist Church, serving as a local preacher—a role akin to a lay preacher in the Anglican tradition. (Moore, 2013, p.24). Margaret's upbringing was characterized by discipline, religious devotion, and a focus on self-improvement. Guided by her mother, a former seamstress, she attended chapel frequently and prioritized activities like piano lessons and lectures on current affairs over trivial pursuits. Practical skills in household management and time management were also imparted, providing a well-rounded foundation for her future endeavors (Eccleshall & Walker, 2002, p.360).

From an early age, Margaret and her sister Muriel were raised in a strictly religious environment that emphasized order, precision and attention to detail. They were taken to the local library each week to borrow books to further their education. The purpose of these visits was to foster a love of learning and expose them to a wide range of topics. They carefully selected the books they chose so that they did not align with their family's religious values and encouraged critical thinking. (Cannadine, 2017, p.03).

Margaret Roberts's pathway out of Grantham was paved by education. Her formal schooling commenced shortly before her fifth birthday, on September 3, 1930, at Huntingtower Road County Elementary School (HRCES), known as one of Grantham's top council schools. According to her own recollection, she already possessed reading skills upon enrollment and quickly progressed a year ahead. Displaying formidable diligence and competitiveness, she clinched a poetry recital competition at the local music festival at the age of nine. When congratulated by the headmistress, who attributed her success to luck, Thatcher vehemently rejected the notion, asserting, "I wasn't lucky. I deserved it." This incident underscored her

enduring belief that hard work merits victory. At just ten years old, she secured a scholarship to Kesteven and Grantham Girls' School (KGGS), a prestigious fee-paying girls' grammar school, following in the footsteps of her sister Muriel. In 1941, during her fifth year of schooling, Margaret Thatcher took her School Certificate exams. Although she performed well in all subjects, chemistry was her best subject, her systematic approach led her to specialize in the sciences (Campbell, 2011, p.21).

Even though Margaret Thatcher didn't complete her Higher School Certificate until 1943, she had already been offered places at both Nottingham and Bedford College, London, by the end of 1942. However, determined to pursue admission to Oxford with Alfred's support, she took a scholarship exam in December 1942. Despite narrowly missing the top prize, she secured a place at Somerville College, Oxford, starting in October 1944. This delay was crucial because wartime regulations meant that had she entered university in 1943, she would have been limited to a two-year degree before being required to enlist for National Service (Campbell, 2011, p.23).

Upon her arrival at Somerville College in 1943, Margaret Thatcher did not have a scholarship and relied on her father's financial support. She admitted to feeling uncomfortable in the cold and somewhat unwelcoming atmosphere of the college. Lacking in personal and social skills, she struggled to make friends easily. Her chosen field of study, chemistry, demanded extensive hours in the laboratory, setting her apart from fellow undergraduates who were more engaged in social activities like lectures and tutorials. To cope with her isolation, she turned to her existing passions from Grantham, namely music and politics. She became a member of the university's Bach choir and, in a departure from her father's liberal views, she joined the Oxford University Conservative Association (OUCA) (Jenkins, 2007, p.34).

Margaret Thatcher concluded her studies at Oxford University in the summer of 1947, equipped with a degree in Chemistry and recognized as a qualified research chemist. Her academic focus on science, both during her schooling and university years, resonated with her

upbringing characterized by strict moral and religious principles, reinforcing her convictions rather than challenging them, as might have been the case with a more liberal education in the arts or humanities. This adherence to a rigid mindset became a notable source of strength throughout Thatcher's political career, providing her with a firm foundation and unwavering determination to pursue her goals and advocate for her beliefs (Campbell, 2011, p.28). In 1951, Thatcher married, an industrialist, Mr. Denis Thatcher, a director of chemical and oil companies. She had Boy–Girl twins Mark and Carol in 1953 (Blundell, 2008, p.58).

Margaret Thatcher's political career spanned a long time from her early election as a Finchley Union Member of Parliament in 1959 to her ancient stint as the first Lady Prime Minister of the UK, which commenced in 1979 and it lasted until 1990. Party as a Conservative, Thatcher rose from the ranks, in the 1960s and early Nineteen Seventies She held cupboard positions such as schooling minister and secretary of state for education and technology but it was her method as leader of the competition and installed his transitional presidency. Elected Conservative leader in 1975, Thatcher encouraged an extra-conservative stance on economic and foreign coverage issues and reinvigorated the party platform after being elected top minister in 1979. Her guidelines, together known as Thatcherism, emphasized privatization, deregulation, and market concepts, which reshaped the British financial system and society (Thatcher, 2009).

Margaret Thatcher's later years have been defined by her diminishing public presence and declining fitness. Following her retirement from politics in 1992, she confronted diverse health-demanding situations, which included a series of small strokes that impacted her mobility and speech. Despite those setbacks, Thatcher remained engaged in public lifestyles through occasional speaking engagements and advisory roles, though her appearances have become increasingly infrequent as her fitness worsened. On April 8, 2013, Thatcher passed away at 87, amidst a global outpouring of tributes (Margaret Thatcher - Quotes, Death & Life, 2020).

1.2. Historical Background of Thatcherism

Thatcherism, the political and economic ideology associated with Britain's first female Prime Minister Margaret Thatcher, was reflected in the developments of important historical forces shaping the UK at the end of the 20th century, profound social change. To understand the depth of the historical context surrounding Thatcherism, one must go through the vast complexity of these multidimensional elements to a vast Economic complexity that existed at the time, including status, rising unemployment, and industrial disruption, commodity A shift toward the theory of -management was underway, with influential people praising a withdrawal departed from the post-war consensus and embraced neoliberal ideas.

Globally, the rise of neoliberalism as an intellectual force reshaped the intellectual landscape, offering new solutions to the economic crisis. In addition, social reforms, including a greater emphasis on individuality and personal responsibility, helped to establish the ideological foundations of Thatcherism. Thatcherism thus emerged not as a single phenomenon but as a complex combination of historical, economic, ideological, and social forces that reshaped Britain's political and economic trajectory (Heffernan, 2000, p.02).

Following World War II, Britain underwent a massive transformation closer to establishing the welfare kingdom and adopting Keynesian financial standards. This duration, typically known as the "put up-World War II generation" or the "post-war settlement," witnessed a considerable agreement amongst foremost political parties concerning the government's involvement in monetary control and social welfare provision. This consensus led to tremendous country intervention in various sectors, inclusive of the implementation of social welfare programs and the established order of the National Health Service (NHS) to ensure healthcare access for all residents. However, as the Seventies opened up, this consensus commenced to fracture. Economic challenges which include stagnation, inflationary pressures, and labor unrest started to undermine the effectiveness of present monetary and social guidelines. Consequently,

the cohesion among political parties regarding the position of the kingdom and the effectiveness of Keynesian economics began to erode, paving the way for brand-spanking new debates and ideological shifts in British politics and financial coverage.

The economic crisis of the 1970s laid the foundation for a rethinking of Britain's economic policies. In the wake of falling productivity, inflation, and rising unemployment, which created a disaster of self-assurance within the nation's potential to efficiently control the financial system, a brand new financial principle emerged that challenged it Market-primarily based solutions have been advocated via Keynesian orthodoxy. Often referred to as Neoliberalism, this ideological shift has received international recognition, with influential thinkers including Friedrich Hayek and Milton Friedman advocating unfastened markets, deregulation, and restrained government intervention (Letwin, 2018, p.313).

Within the Conservative Party, there has been tremendous dissatisfaction with the triumphing submit-battle mood and a preference for a greater competitive technique to monetary coverage. People like Enoch Powell and Keith Joseph started to question the role of the state within the financial system and recommended extra reliance on marketplace mechanisms later. Margaret Thatcher, who became the prime minister in 1979, embraced these ideas and got down to implement a comprehensive coverage of financial reform (Hall, 1988, p.59).

Thatcher's government pursued policies aimed at restoring the state, encouraging competition, and empowering individuals. At the core of Thatcherism was a policy of privatization, in which state-owned enterprises such as British Telecommunications, British Gas, and British Airways were sold off to private investors, and deregulation schemes were introduced for government ownership its involvement in the economy has been reduced and entrepreneurship has been encouraged. Trade union reform was also an integral part of Thatcherism, with legislation aimed at curbing the power of unions and allowing greater flexibility in the labor market(Gamble, 1988, p.38, 116,127).

Thatcherism was not solely an economic phenomenon but also had profound social and cultural implications. It emphasized individualism, self-reliance, and private obligation, challenging the perception of a collectivist society. Thatcher famously declared, "There is no such thing as society," suggesting a shift far away from a focal point on collective welfare closer to an emphasis on individual initiative (Evans, 2004,p.115).

1.3. The Concept of Thatcherism

Historian Richard Vinen discusses the term 'Thatcherism,' which gained prominence in the late 1970s, notably through Stuart Hall's influential article in *Marxism Today*. Coined by Marxist Antonio Gramsci, 'Thatcherism' entered debates on depersonalizing politics. Hall's work sparked debates among Marxist intellectuals throughout the 1980s, this debate mainly took place during Thatcher's 1980s heyday but was renewed interest in the 1990s and 2000s .
(Gallas, 2015, p.11).

The breakdown of the post-war 'social contract' in British politics led to seismic ideological upheaval, known as Thatcherism under the leadership of Margaret Thatcher. Embracing the principles of the extreme right, Thatcherism departed from the prevailing ideology, favoring a strong sense of individualism, minimal state intervention, and free market principles desired to be shown. It occurred as a means of incentives. The policy of Thatcherism extended beyond mere economic restructuring; it revolutionized British society and government. Central to this vision was the dismantling of the welfare state, a bold move aimed at reducing dependency on state programs and fostering a culture of dependency self-reliance and employment have flourished while Thatcherism aimed to curb the power of trade unions seen as obstacles to economic efficiency and stimulus in relation to inflationary pressures. This includes legislation to curtail union rights and mitigate their impact on industrial relations. Moreover, Thatcherism pursued a radical policy of institutional reform targeting institutions that were perceived as radical socialist ideologies. They looked at organizations such as the British

Broadcasting Corporation (BBC) and worker-run local authorities and took measures aimed at reducing their influence on public discourse and policy-making (Leys, 1989, p.101).

Modern commentators largely share the view expressed by the present writer that Thatcherism lacks a cohesive ideology. According to Jim Bulpitt, Thatcherism is essentially a continuation of the traditional Conservative focus on political strategy, particularly in terms of winning elections and retaining authority in high-level politics. In a sympathetic reflection on Thatcher's resignation, The Daily Telegraph's editor argues that Thatcherism extends beyond mere economic principles, encompassing a broader set of beliefs about human potential within political society. Sheila Letwin, another sympathizer, emphasizes individualism as the cornerstone of Thatcherism, suggesting that Thatcher's policies were rooted in a recognition of human nature and the innate drive for self-interest. In essence, these perspectives portray Thatcherism as a multifaceted phenomenon, ranging from pragmatic political maneuvering to a deeper ideological commitment to individual autonomy and human capability within the political realm (Evans, 2004, p.02).

Although it is commonly asserted that Thatcher was the inaugural Prime Minister to have an ideology attributed to her, the term Thatcherism was originally coined by the Labour Party and theorized by the Marxist left. Thatcherism' subsequently evolved into a label embraced with pride by Thatcher and her associates (Jackson & Saunders, 2012, p.12).

According to Green (2006), he stated two definitions of Thatcherism in Margaret Thatcher's own words in her early career:

Thatcherism is really sound financial policies and sound industrial policies against a background of limitation of the power of the State in order to give freer rein to the talents and abilities of the individuals and companies to make the most of the available opportunities (p.26).

Thatcher later in office continued defining Thatcherism. She said:

Thatcherism stands for sound finance and Government running the affairs of the nation in a sound financial way. It stands for honest money - not inflation. It stands for living within our means. It stands for incentives ... It stands for the wider and wider spread of ownership of property, of houses, of shares, of savings. It stands for being strong in defence - a reliable ally and a trusted friend (p.27).

Andrew Gamble argues that Thatcherism can be variously defined as a set of intellectual doctrines, a popular political movement, a style of leadership, as a bloc of interests, and as a program of policy. His viewpoint posits that Thatcherism pursued three primary aims: revitalizing the Conservative Party politically, reasserting market liberalism as the dominant ideology, and fostering a free-market economy by reducing state intervention while reaffirming its authority (Heffernan, 2000, p.29).

According to Lawson (1993)," the right definition of Thatcherism involves a mixture of free markets, financial discipline, firm control over public expenditure, tax cuts, nationalism, 'Victorian values', privatization and a dash of populism " (p. 64).

According to one determined supporter, Shirley Letwin, Thatcherism is a 'form of practical politics devoted to achieving certain concrete results (Heffernan, 2000, p.18)

Thatcherism has come to stand for the distinctive ideology, political style, and program of policies with which the British Conservative Party has been identified since Margaret Thatcher became their Leader (Gamble, 1988, p.20).

Dennis Kavanagh has observed that few doubt that Mrs. Thatcher has a coherent set of political ideas and that these guide her behavior'. He identifies eight key principles underlying her belief system: prioritizing minimal government, emphasizing individual responsibility,

advocating for a robust state to ensure national defense and uphold law and order, promoting a market-driven economy, morally opposing excessive borrowing, and striving for lower taxes and fiscal stability (Holmes, 1989, p.03).

1.4. The Core Principles and Policies of Thatcherism

Thatcherism in Britain, from 1979 to 1990, was characterized by several core principles and policies. These principles and policies aimed to reshape the British economy, society, and government. Here are the core principles and policies of Thatcherism:

1.4.1. Free Market Economics

Free market is a fundamental policy in Thatcherism encompasses the economic policies advocated by Margaret Thatcher as Prime Minister of the United Kingdom from 1979 to 1990. It includes the elimination of controls on prices and wages, dividends, and exchange rates, as well as reductions in taxation and public expenditure. Fiscal purity remains a key aspect, along with the preference for goods and services provision by the private sector wherever feasible (Letwin, 2018, p.216).

1.4.2. Privatization

Privatization typically refers to establishing a Companies Act company and subsequently selling at least 50 percent of its shares to private shareholders. However, the fundamental objective is to enhance industry performance by augmenting the influence of market dynamics. Various other strategies can contribute to this goal, such as opening up entry to an industry, fostering competition, and allowing joint ventures. Additionally, market forces can be bolstered by restructuring nationalized industries to establish multiple successor companies, some of which may remain publicly owned (Beesley, 1997, p.25).

This is a key policy of Thatcherism, involving the sale of state-owned enterprises to private investors. This policy aims to increase productivity, improve competitiveness and reduce government intervention in the economy (Crines et al., 2016, p. 33).

The process of selling off nationalized industries begins tentatively, almost as an afterthought. The initial privatizations target industries lacking strong political constituencies and limited public awareness. These include the National Freight Corporation (1980), part of British Aerospace (1981), Cable and Wireless (1981), British Oil (1982), British Rail Hotels (1981), and Associated British Ports (1983). Notably, the entire National Freight Corporation was sold to its employees, with share prices swiftly appreciating, prompting regret among employees who missed out on their share allocation. Privatization also serves to inject much-needed funds into the Treasury, a consideration growing in importance as the process extends to larger industries. Income from privatizations totaled £377 million in 1979–1980, increasing to over £6 billion by 1988–1989. Beyond any potential economic benefits, privatization becomes a pivotal factor in government finances (Reitan, 2003, p.59).

Table 1.1. *Privatization of State-owned Enterprises Between 1980 to 1987 in Britain*

	Privatisation 1980–1987 (£ millions)						
	80/81	81/82	82/83	83/84	84/85	85/86	86/87
Amersham International		64					
Associated British Ports			46		51		
British Airways							435
British Aerospace	43					346	
British Gas							2,546
British Petroleum		8		543			
British Sugar Corporation		44					
British Telecom					1,396	1,307	1,387
Britoil			334	293		426	
Cable and Wireless		182		263		571	4
Enterprise Oil					382		
NEB/British Technology Group	83	2			142	30	34
New Town Corporations and Commission for the New Towns (land sales)	52	73	1				
North Sea Oil Licence Premium	195		33		121		
Sale of Oil Stockpiles		63	33	11			
Other	32	58	41	32	40	22	16
Total	405	494	488	1,142	2,132	2,702	4,422

Source: *The Government Expenditure Plans 1986/87 to 1988/89 and 1988/89 to 1990/91.*

Note. Reprinted from “*Politics in Britain: from Labourism to Thatcherism*” by Leys, C., 1989, p. 332.

1.4.3. Limited Government Intervention in the Economy

Thatcherism considered unlimited government involvement in the economy to be damaging. Therefore, Margaret Thatcher regarded local authorities, regardless of their party label, as hindrances to the implementation of her Thatcherite policies, which focused on privatization, deregulation, and promoting consumer choice. Consequently, her government aimed to diminish the influence of local authorities by shifting responsibilities to alternative entities such as private enterprises and other agencies. This strategy was intended to reduce the power of local authorities (Steinberg, 2008, p.270).

1.4.4. Individualism

Thatcherite emphasizes individual freedom of choice, the promotion of individual responsibility, reduced public expenditure, and private enterprise. Indeed, where these ideological perspectives may be damaging or non-supportive, they have been replaced by authoritarian control (Savage & Robins, 1990, p.217). A strong emphasis on individualism, advocating for individual freedom and entrepreneurship. Margaret Thatcher's government sought to limit the role of the state to empower individuals to make their own choices, take responsibility for their lives, and self-reliance.

1.4.5. Deregulation

Margaret Thatcher's era is characterized by significant deregulation across various sectors of the economy, which is the process of reducing or eliminating government regulations and controls in a particular industry or sector. Some of the key deregulatory measures implemented during her time in office include:

1.4.5.1. Financial Deregulation

Thatcher's economic deregulation, refers to as the "Big Bang," revolutionizes the shape and operations of the United Kingdom's economic industry. Enacted through the Financial Services Act of 1986, this landmark reform eliminates fixed commission charges on stock trades, dismantling the traditional "single capacity" gadget that restricts brokers' roles. Additionally, it removes barriers for foreign firms, encouraging their participation in the London market and fostering worldwide competition. Crucially, the Big Bang blurs the lines between commercial and investment banking, allowing banks to engage in a broader array of financial activities. Consequently, established banks emerge, presenting comprehensive services .

(Moore, 2015, p.307).

1.4.5.2. Transportation Deregulation

Transportation deregulation remains a focal point, echoing the policies initiated during Thatcher's government. Efforts persisted in infusing competition and efficiency into various transportation sectors, mirroring past initiatives aimed at privatization and reduced governmental intervention. British Airways, privatized in 1987, continued to operate within a competitive market, offering expanded routes and improved services. Similarly, deregulation extended to other transportation modes like bus services and freight transport, fostering consumer choice and bolstering private sector involvement (Coxall & Robins, 1993, p.170-171).

Several deregulations continued to be implemented through privatization initiatives undertaken in other sectors such as telecommunications, and energy, with British Telecom, and state-owned utilities like British Gas being privatized. These changes aimed to introduce competition, improve services, and reduce government control (Coxall & Robins, 1993, p.540).

1.4.6. Tax Cuts

Thatcherite policies included significant reductions in income tax rates. The tax cuts were very gradual. Income tax had been reduced as of 1979 to 1988. Financial stabilization took priority over more ambitious supply-side proposals for boosting growth by encouraging enterprises (Gamble, 1988, p.122).

During the Chancellors of the Exchequer, Geoffrey Howe, Nigel Lawson, and John Major, income tax rates witnessed a remarkable reduction. Geoffrey Howe's 1979 Budget cut the basic rate of income tax from 33 percent to 30 percent, shifting the balance from direct to indirect tax. The top rates of income tax were cut from 83 percent to 60 percent and from 98 percent to 75 percent on investment income. Nigel Lawson's 1984 Budget made fundamental changes in corporate taxation, cutting both capital allowances and corporation tax rates to encourage more efficient use of business investment. Nigel's 1988 Budget completed the program of income tax reduction, bringing down the higher rate to 40 percent (for savings income as well as earnings) and the basic rate to 25 percent. Sound public finances and low marginal tax rates were the goals in the 1980s: and they were achieved (Thatcher, 1995, p.529).

1.4.7. Monetarism

From 1980 onwards, a monetary policy supported by a fiscal policy that reduced government borrowing was conducted within the framework of a Medium Term Financial Strategy (MTFS) (Thatcher, 1995, p.654).

Through the Thatcher era, monetarism maintained to form economic policy within the United Kingdom. Monetarism, emphasizes controlling the money supply to manage inflation and stabilize the financial system. The authorities rooted in Thatcherite ideas, embrace monetarist strategies, affirming that an immoderate money supply growth is a primary driver of inflation. As a result, policymakers focus on regulating the growth rate of money through

monetary policy tools like interest rates focused on and stringent control over public spending. This approach diverges from traditional Keynesian monetary theories, which prioritize fiscal policy and government intervention to control demand. Additionally, commitment to monetarism guides meticulous monetary policy, with the government setting unique goals for money supply growth and using interest rate adjustments to achieve these objectives

(Minogue & Biddiss, 1987, p.73-74).

1.5. Economic and Social Reforms

Many reforms were implemented during Thatcher's administration in several sectors. Here is an overview of the key economic and social reforms associated with Thatcherism:

1.5.1. Trade Union Reforms

Thatcher's government took its first steps to limit union power with the Employment Act 1980 in their second year in office. This act limits picketing to one's place of work, requires an eighty percent membership vote for a closed shop to be valid, and provides legal assistance to workers expelled from a union. These reforms aim to restrict sympathy strikes and closed shops within workplaces. Employment Secretary Jim Prior employs a slower, step-by-step approach to reform compared to the previous Conservative government in the 1970s. These initial reforms pave the way for further changes in the law by the Thatcher government

(Taylor, 1993, p.322-323).

In the Employment Act 1982, the government addresses the legalities of actions within a union. It removes the immunity of unions from lawsuits and holds officials liable for damages for unauthorized actions. Closed shops are again targeted, with unions losing legal immunity for trying to enforce union-labor-only contracts within a company, and trade union-only contracts are outlawed. The reforms continue with the Trade Union Act 1984, emphasizing the importance of holding secret ballots on decisions for members. Secret ballots must be held

for leaders and committees at least every five years. Strike action and political affiliations can also only be decided upon through secret ballots (Taylor, 1993, 323). Thatcher asserts, "Trade unionists are jumping at the opportunity, which the ballot box now gives them, to decide 'who rules' in their union (Dale, 2010, 229). She believes that trade union reforms are welcomed by members. There has been a drop in union membership by 17.9 percent by 1984, but this may be due to unemployment rather than government reform. However, laws to continue to control the unions continue in the third term of the Thatcher government (Taylor, 1993, p.382).

Generally speaking, trade union reform under Thatcherism is a pivotal aspect of economic reform, emphasizing the reduction of union power and the promotion of individual rights in the labor market. Through legislation, the government imposes restrictions on union activities, requiring secret ballots for strikes and limiting picketing. These reforms aim to foster greater flexibility and competition in labor relations, though they also spark tensions between the government, employers, and unions.

1.5.2. Healthcare Reforms

During the Thatcher era and ideas in the United Kingdom, the healthcare sector witnessed a profound and huge transformation, pushed using a fervent embrace of free-market ideology and a decided push towards privatization. This period is characterized by a series of bold reforms geared toward basically reshaping the National Health Service (NHS) and redefining its core principles. Central to this reform agenda is the groundbreaking 1989 White Paper titled "Working for Patients" (Department of Health and Social Security, 1989), which serves as a comprehensive blueprint for change in the healthcare sector. The White Paper articulates a formidable vision of healthcare delivery characterized by principles of competition, choice, efficiency, and fiscal responsibility. It advocates for the introduction of marketplace mechanisms within the NHS framework, heralding the advent of an internal market where healthcare providers, such as hospitals and well-known practitioners, have interacted in

opposition to contracts to supply services. This market-driven approach is supposed to inject a wholesome dose of competition into the system, compelling providers to enhance first-rate and efficiency to draw patients. Concurrently, the reforms seek to decentralize decision-making powers and provide greater autonomy to hospitals and health authorities, empowering them to make strategic decisions tailored to local needs and preferences (Letwin, 2018, p.216, 217- 226).

1.5.3. Education Reforms

Thatcher's government enacted the Education Reform Act in 1988, which includes a competition among schools. It has four pillars, (1) parental choice for children's school (open enrolment), (2) setting up the National Curriculum and publishing each school's attainment, (3) giving more power to headmasters and school executives concerning financing and appointment, (4) allowing schools to opt-out from LEAs and to be an independent grants-maintained school

(Benn, 2011, p.78).

In school education, parents who are interested in their children's performance are given a greater voice in school management. The government seeks to activate the 'Assisted Places Scheme' intended to encourage working-class students to enter private schools. However, in practice, the places largely go to the children of educationally advantaged families in relative financial difficulty (Benn, 2011, p.67).

The Thatcher reform aims to introduce and boost competition among schools and increase the incentive to enhance their services by granting more power to parents interested in their children's performance. This approach to school education seeks to enhance the quality of education.

1.5.4. Housing Reforms

Housing reforms implemented during Thatcherism emerged as a multifaceted initiative with the overarching goal of restructuring the housing sector within the United

Kingdom. At its nucleus lies the implementation of the "Right to Buy" scheme in 1980, which affords council tenants the opportunity to procure their rented accommodations at discounted rates (Pierson, 1994, p.78). This policy framework strategically aims to augment homeownership rates, foster individual empowerment, and decentralize housing control from governmental entities to private citizens. Simultaneously, governmental endeavors actively promote stock transfers, facilitating the transition of council-owned housing assets to housing associations or private landlords. This strategic maneuver seeks to diversify housing ownership and management whilst mitigating the burden on local authorities. Moreover, deregulation of the housing market is pursued to invigorate housing construction and stimulate market-driven development (Thatcher, 1993,p. 505-506).

1.6. Effects of Thatcherism on Britain

Thatcherism contributed significantly to improve the economic and social conditions of Britain through its reforms and policies, including privatization, deregulation, and a free market economy. Thus, Britain as a whole witnessed progress in many areas, and Thatcherism's policies concluded as follows:

1.6.1. Economic Growth

From 1979 to 1990, the economy grew at an annual rate of 3.1% per year. On the other hand, GDP increased from 38.5 % in 1979 to 40.75 % in 1990 (Evans, 2004, p.31). Thatcher's monetary policies helped to keep inflation and interest rates low, helping to stabilize the economy. The privatization of some state-owned enterprises such as British Telecommunications and British Airways created market competition and increased efficiency in those enterprises and reliance on free market principles, deregulation, privatization, and limited state intervention. These policies were designed to stimulate economic growth by promoting competition and efficiency.

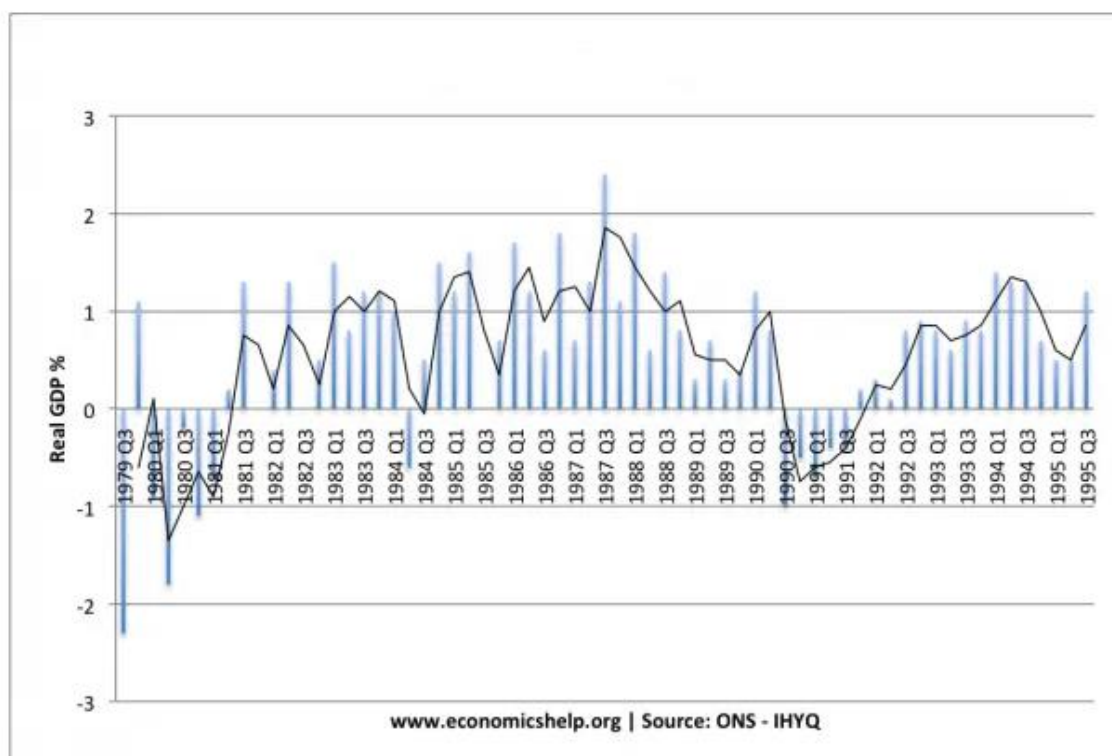


Figure 1.1. *UK Quartlerly Economic Growth*

Note. Adapted from *Thatcher's Economic Policies*, by T.Pettinger, 2017 (<https://www.economicshelp.org/blog/glossary/thatcher-economic-policies/>).

1.6.2. House Ownership

Thatcher's administration swiftly introduced the "right to buy" scheme, allowing council tenants the opportunity to purchase their occupied homes, frequently at significantly reduced rates, aimed at alleviating the housing crisis (Samuel et al., 2014, p. 59). The "right to buy" scheme was the expansion of homeownership. Conservative governments have long favored free trade, and the Thatcher government clarified this view. The Housing Act of 1980 replaced the voluntary sales process with the "right to buy". Tenants who have lived in council housing for at least three years would have the opportunity to buy their homes at a discount through the 24-year mortgage and, for longer-term residents, a discount will increase to 50

percent of market value. Since 1980, some right-of-purchase restrictions have been removed, and maximum discounts have been increased to 60 percent. Central to the effort to encourage the expansion of homeownership was the sale of council housing to tenants. The Right to Buy program was a spectacular success. Almost 1.5 million flats - a fifth of all council homes - were sold during the decade. Although the sales volume has increased, such purchases far outweigh the construction of new council houses (Pierson, 1994, p.78-79).

Table 1.2. *The Total Sales of Council Houses Between 1978 to 1986*

Council House Sales 1978–1986	
	Total Sales
1978	30,620
1979	42,595
1980	92,660
1981	124,175
1982	228,455
1983	169,975
1984	130,390
1985	115,365
1986	108,485

Note. Reprinted from “The Political Consequences of Thatcherism” by Geoffrey Garrett, 1992, *Political Behavior*, 14(4), p. 364

1.6.3. flexible Labor Market

The repeated successes of the government against trade unions prompted support for a new industrial-relations structure, envisioning unions agreeing to no-strike agreements and prioritizing their companies' success, contributed to the breakup of the traditional labor movement and enhanced flexibility in the labor market (Gamble, 1994, p.234). To aid this process the Government introduced some measures of deregulation; some obstacles to the free

working of labor markets were removed, enterprise zones and free ports were established; and foreign inward investment was encouraged in order to encourage competitiveness

(Gamble, 1988, p.125).

1.6.4. Low Governmental Expenditures

During Margaret Thatcher's tenure, public spending in the UK fell from 44% in 1979 to 40% by 1990, contrasting with rising expenditure in many other European countries. By controlling public spending, the government utilized the fiscal benefits from economic growth to reduce direct taxes. (Seldon & Collings, 2014, 134). The control and reduction of public expenditure was seen by the Government as an essential part of the monetary cure for inflation. Therefore, looked for all available ways to reduce expenditure. Significant cuts were announced in the November 1979 and 1980 budgets. Prescription charges were pushed up dramatically, the regional aid budget was slashed, overseas student fees were raised, the Parker Morris standards for new council buildings were abolished, school meals charges and council house rents were increased, reductions in grants to local authorities were drastically reduced and university places were reduced. A bruising battle in a series of meetings with other government officials in the European Union negotiated a sizeable rebate in Britain's contribution(Gamble, 1988, p.105).

Conclusion

In conclusion, it is obvious that Margaret Thatcher's background was a crucial factor in shaping her powerful personality and distinctive political career. Her upbringing in a disciplined family had subscribed to hard work and individual responsibility, which enabled her to be the first female Prime Minister in Britain as well as one of the prominent British leaders of the 20th century. Despite Thatcherism's emergence during a troubled period of time in the 1970s, it managed to work through three terms in a row because of its effective strategies and policies such as free market economics, privatization, limited government intervention in the economy,

individualism, and deregulation. Different reforms under the government of Thatcher particularly in education, health care, and housing had increasingly contributed to fostering social conditions and provided an outstanding service to all classes of British society. Due to the liberalization of the economy, Thatcherism had a tremendous impact on Britain in all sectors, it revived the British economy, supported the social life of citizens, and succeeded in coping with intractable problems. Furthermore, driving development in other areas in the purpose of promoting social welfare.

CHAPTER TWO

The Legacy of Thatcherism in the Present Day

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Introduction

More than three decades after the election of Margaret Thatcher as Prime Minister, the Thatcherite project from 1979 to 1991 brought about a real reorganization of much of Britain's social and economic life after three consecutive tenures in government. The influence of Thatcherism went beyond a mere political party. Thus, the legacy of Thatcherism in the present still exists in different domains. At its core, this legacy not only represents a complex tapestry of successes and tribulations but also describes the profound and continuous implications of Thatcher's policies on the nation and individuals. This chapter delves into the legacy of Thatcherism in the present day. Firstly, this chapter starts with the contemporary impacts of Thatcherism, including the widespread of neoliberal socio-economic policies in different parts of the world, the impact on politics and subsequent governments especially the competitor for power, the Labour Party, and then the global influence of Thatcherism. Furthermore, the social and cultural legacy of Thatcherism focuses on individualism, nationalism, ownership, free choice, poverty, and inequality. It also examines the economic legacy of Thatcherism and its contemporary impact on the British people. Then, how Thatcherism changed attitudes towards the welfare state is discussed. Finally, the notable criticism of Thatcherism such as the high unemployment rate, socioeconomic inequality, lack of regional development, and increased rate of poverty.

2.1. Contemporary Impacts of Thatcherism

Thatcherism continues to cast a long shadow over contemporary politics and economics. Its impact, either praised or criticized, reverberates through diverse aspects of society, shaping policies, institutions, and public discourse. Understanding the contemporary effects of Thatcherism requires delving into its key principles and examining how they continue to shape the socio-economic landscape today.

Thatcherism also profoundly imprints global politics, particularly within the Conservative Party and the subsequent governments. Thatcher's leadership transformed the party

into a bastion of market-oriented conservatism, setting the stage for future leaders to follow her ideological footsteps. The enduring influence of Thatcherite principles within the Conservative Party can be seen in policies related to fiscal conservatism, welfare reform, and deregulation, as well as in broader debates over the size and scope of government. The contemporary impacts of Thatcherism can be noticed through:

2.1.1. Widespread of Neoliberal Socio-economic Policies

Neoliberalism is understood as a set of political-economic policies that became dominant with the administrations of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom. These policies emphasized the rolling back of programs associated with social welfare and creating a new system of global capitalism in the wake of the winding down of the Cold War (Wilson, 2017, p.06). In the 1980s, the United States and the United Kingdom witnessed a political shift towards conservative leaders who embraced neoliberal ideas. Ronald Reagan was elected as the President of the US in 1980, and Margaret Thatcher became the Prime Minister of the UK in 1979. They promoted free-market principles, advocated for reduced government intervention, deregulatory measures, tax cuts, and reductions in social spending, and emphasized the importance of individual responsibility and self-reliance. The alliance between Reagan and Thatcher further reinforced the global spread of neoliberalism. Both leaders became known as “Reaganomics” in the USA and “Thatcherism” in the UK and were the first ones who adopt neoliberal ideas, reflecting their ideology in managing government

(Boas & Gans-Morse, 2009).

The collapse of the Soviet Union and the end of the Cold War did have a profound effect on the spread of neoliberalism and the popularization of Thatcherism as an economic model, there was growing frustration with state intervention and a desire for market-based reform. Neoliberalism, which emphasizes free markets, minimal government intervention, and private investment, gained traction as an alternative to the socialist model. As a prime example

of neoliberalism, Thatcherism has been influential in promoting market-based policies and economic liberalization. Countries transitioning from socialism or authoritarianism saw Thatcherism as a blueprint for economic reform. For example, Eastern European countries adopted market-oriented policies away from centrally planned economies and in favor of privatized public enterprises. Ideas of deregulation, liberalism, and the state's increased control over the economy resonate with these countries seeking to participate in the global market economy.

Similarly, many Latin American countries facing an economic crisis and massive state intervention in the 1980s drew on the new reforms inspired by Thatcherism. Governments implemented structural reform programs, opened their economies to international trade and investment, privatized state enterprises, reducing subsidies and deregulations.

2.1.2. Impact on Politics and Subsequent Governments

Thatcherism marked a shift in British politics to the New Right, reshaping the nation's ideological and policy trajectory. The Conservative government under Margaret Thatcher advocated privatization, deregulation, a free market economy, and limiting the interventionist role of the state in the economy. As well as Major's government in the 1990s that continued the same ideology and policies of the Conservative government under Margaret Thatcher had considerable impact on the politics and the subsequent governments afterward

(Heffernan, 2000, p.29).

The impact continued to reach the prominent adversary of the Conservative Party to power, the Labour Party. The ascendancy of Thatcherism prompted the Labour Party to reevaluate its traditional left-wing policies and embrace a more centrist agenda. At the 1997 general election, Labour returned to power. Its electoral landslide gifted it a Commons majority of 179, the largest in the party's history on 44.4 percent of votes. The Labor government's agenda reflected policies pursued by the Thatcher and Major governments. Political values preached by

Conservative ministers, self-reliance, and limited government found contemporary reflection in the speeches of Labour ministers, promoting the liberalization of the market economy, the privatization of nationalized industries, utilities, and public sector companies, the introduction of market liberalism to the public sector, and the restriction of trade unions were major policies adopted by the Labour government till today (Heffernan, 2000, p.65).

This impact on politics through a multifaced approach that reshaped political ideology, policy agendas, and electoral strategies. Margaret Thatcher's advocacy of market principles, deregulation, and minimal government intervention led to a global trend towards a neo-liberal economic system and prompted debates about the role of the state in the use of and the effectiveness of market mechanisms became increasingly. Thatcher's electoral success in the 1980s demonstrated electoral gains, prompting Conservative parties around the world to adopt similar platforms, Thatcher's leadership on the global stage increased her influence, and Thatcher's ideology spread Thatcherite ideas beyond Britain's border.

2.1.3. Global Influence

Thatcherism has a remarkable influence on international institutions particularly the IMF and World Bank, by changing the paradigm of monetary policy. Thatcherism's monetary policies challenged the prevailing Keynesian ideology that had dominated economic thinking since the post-World War II period While advocating monetary, supply-side economics, and following the reduce of government intervention, Thatcherism reshaped the intellectual landscape of economic policymaking. This shift in thinking affected not only national policies but also the approach taken by international organizations. For example, the IMF prioritizes price stability, fiscal discipline, and market reforms in its policy advice to member countries. On the other hand, this influence can be also observed through the implementation of Structural Adjustment Programs (SAPs). These programs, which began in the 1980s and 1990s, were designed to address economic crises in developing countries by imposing conditions on financial assistance and often include measures such as fiscal austerity, trade liberalization, currency

devaluation, and privatization. Thatcher's emphasis on market reform played a key role in the development of these policies, reflecting her belief in the power of free markets and reduced government intervention (Vidal et al., 2013).

2.2. Social and Cultural Legacy of Thatcherism

The social and cultural legacy of Thatcherism continues to cast a long shadow over British society. Supporters hail Thatcher's legacy as a revival of economics and individualism. They argued that its policies promoted individual responsibility and achievement and fostered a culture of self-reliance and entrepreneurship. This shift is credited with reinvigorating the British economy, especially in the financial sector, and creating a more dynamic business environment. It also reflects a new sense of national pride under Thatcher, focusing on traditional values such as hard work, thrift, and patriotism.

Thatcher era witnessed a significant shift in the values of the British people. Thatcherism emphasized individualism, self-reliance and freedom choice. This encouraged a culture of entrepreneurship and personal responsibility, representing one of Britain's lasting legacies since Thatcher came to power. Thatcher saw individualism as a fact of life, Her assistant Alfred Sherman (first director of Thatcherite think tank the Center for Policy Studies) wrote in a speech he wrote for her in 1977: "We simply recognize the force of self-interest in human affairs, particularly economic affairs. We neither praise it nor denigrate it". Thatcher's brand of individualism was largely marked by the self-help and charity ingrained in her Methodist upbringing during the interwar Grantham. It wasn't far from selfish or greedy, but it was based on values of self-reliance and independence ingrained in Nonconformism and Liberalism (Thatcher's father Alfred Roberts was a Liberal alderman). When Thatcher famously said: "There is no such thing as society" she was asserting that individuals had to take responsibility for their own lives and that it was useless to blame something as nebulous as 'society' for one's problems. She continued: "It is our duty to look after ourselves and then also to help look after our neighbor ' if the government took over family and community care, people would have less

incentive to do it themselves: government should go out of the way, and let natural self-reliance and charity to prosper (Sutcliffe-Braithwaite, 2013).

To sum up, there was a strong emphasis on individualism rather than collectivism, marking a departure from the postwar consensus of the welfare state. The Thatcher government promoted the idea that individuals should be in control of their lives and less dependent on state assistance. This attitude of personal responsibility permeated various policies, from economic reform to social welfare. Thatcherism encouraged entrepreneurship and self-reliance and argued that individuals should be empowered to achieve their success through hard work and initiative. This priority on personal responsibility reshaped cultural attitudes and fostered the spirit of personal accountability.

On the other hand, inequality and poverty in the United Kingdom grew sharply to high levels that have remained one of the enduring legacies of Thatcherism, with far-reaching implications for social cohesion and political culture in Britain. literatures often demonstrate this historical fact as uncontroversial and rely on undisputed statistics for proof, but it is continually overlooked that in the 1980s knowledge about rates of poverty and inequality was much less certain and was subject to political battles over statistical policies, and measurements

(Römer, 2022, p.513).

Also, Thatcherism profoundly and multifacetedly impacted social classes in Britain, reshaping social dynamics. The essence of Thatcherism was the promotion of free market capitalism and the decrease of state involvement, leading to policies such as privatization, deregulation, and tax cuts. These standards aimed to foster economic growth and increase individual well-being, but they also contributed to widening the wealth gap between rich and poor due to unemployment and greater inequality. The deregulation of financial markets and emphasis on personal responsibility disproportionately benefited the upper classes and those with capital to invest, while working-class communities faced economic decline and job losses in coal

mines, factories, shipyards, and steel mills. Moreover, policies followed as challenging union power, weakening workers' ability to negotiate for better wages and working conditions, thus widening social class divisions. Thatcherism also brought about changes in social traditions, emphasizing self-reliance, entrepreneurship, and individualism, conforming to middle-class aspirations, but could be perceived as alienating to those in lower socioeconomic positions, which has left a continuing legacy that continues to impact the British people

(Strangleman, 2013).

For Thatcherism, reviving nationalism was essential and central to social consciousness. In Thatcher's analysis of the country's problems in the 1970s, Thatcher recognized that something fundamental to the British character was lost. The 1960s and 1970s, in her view, were marked not only by economic decline but also by social values that contradicted the Victorian values that had informed her upbringing. She offered the country not only economic rescue but a return to these values, a return to 'true' Britishness. In her words, Thatcher's job was to change the country's 'heart and soul' while the economy provided 'the method', renewing British pride and reviving a lost sense of national identity was the objective. Thatcher presented many of the neoliberal and neoconservative principles which underpinned her political project as an intrinsic aspect of Britishness. In 1999 she compounded this further by saying that although she was influenced by neoliberals such as Milton Friedman and Friedrich Von Hayek, the 'approach' she undertook in the 1980s 'ran deep into humanity, and especially the British folk style. Thatcherism aimed to change Britain's place in the world and to restore it to the former greatness Thatcher attributed to it, then it was—at least on Thatcher's terms, successful in doing so. This was made clear in the Conservative Party's choice of campaign slogan during the 1987 general election: 'Britain is Great Again. Don't Let Labour Wreck It', representing a culture that still lasts until now (Mullen et al., 2020, p.07).

Besides, Ownership and consumption under Thatcher marked a prominent culture that led to consumerism and introduced consumerism into the concept of capital. Furthermore, as the relation between the individual and capital accumulation continued, possession of capital was posited as affording social inclusion and participation. Alongside the policies and rhetoric of the Conservative Party, there was an active promotion of private ownership by ideological organizations and areas of the press and publishing industry. The finance industry developed a series of services designed to engage with developed, which which proliferated in the wake of government privatization. As a result, organizations such as banks, building societies, and stockbrokers created institutions that facilitated the policies of Thatcherism. Ownership rearticulated the concern of the middle classes with 'self-help'. Exemplified by Samuel Smiles who supported work, diligence, and self-reliance as the ideal means to personal success, this idea of self-help centered on moral and intellectual self-fulfilment as the foundations of social mobility. In this manner, it concerned the creation of the self-governing citizen. The rhetoric of Thatcherism drew heavily upon this individualistic ideology and combined it with modern methods of government. Concerning the Conservative push towards private ownership, the focus was placed on financial self-responsibility, implying that anyone who chose not to buy their council house or invest in shares would have to bear the consequences of these decisions alone in the context of decreasing social welfare (Edwards, 2017, p.212, 215) .

The social and cultural legacy of Thatcherism is complicated and continues to be debated. On one hand, supporters argue that Margaret Thatcher's policies revitalized the British economy, encouraged entrepreneurship, and promoted individual responsibility. Also, raises the spirit of nationalism, private ownership, and entrepreneurship. However, critics argue that Thatcherism exacerbated income inequality, weakened social safety nets, and deepened divisions within society. therefore, the legacy of Thatcherism is complex, with its impact on social cohesion, economic opportunity, and the role of the state remaining subjects of ongoing analysis and discussion.

2.3. Economic Legacy of Thatcherism

The economic legacy of Thatcherism, Margaret Thatcher's economic policy as Prime Minister of the United Kingdom from 1979 to 1990 continues to shape discussions and debates about the role of the state, market liberalization, and its impact on society. Thatcherism represented a significant departure from the post-war consensus, introducing reforms aimed at enforcing free market principles, privatization, and deregulation. So, the economic legacy can be observed in many areas.

Most of the Conservative governments over the last century had combined defense of the free market and private property, emphasizing law and order and national defense. Thatcher emphasized the significance of economic freedom and individual choice and responsibility (Goodlad, 2016, p.256). Thatcherism depended on the free market by minimizing the government's involvement in the economy. The economy was in state hands when Margaret Thatcher came to power, badly run and losing money, industries were owned by the state-controlled by powerful unions and other special interests (Fry, 2008, p.74). Therefore, privatization was a policy to change that and give a greater role to the private sector, it was a widespread liberating operation in order to increase efficiency, improve services, and reduce the financial burden on the government.

Privatization remains a turning point in her career as Prime Minister of the UK. Her pursuit of privatization radically transformed the British economy, shifting many public enterprises into private hands and fostering a culture of entrepreneurship and investment through initiatives such as the "Tell Sid" campaign (Wilson, 2013). This liberation of share ownership aimed at giving ordinary citizens a portion of the economy, also encouraging efficiency and competition in sectors such as telecommunications, energy, transportation, and finance, there were doubts and criticism of Thatcher's plans for privatizations well as they also faced scrutiny for contributing to job losses, income inequality and reduced public power over essential

services. The global impact of Thatcher's policy of privatization is not exaggerated, meanwhile, many other countries looked at the UK as a model for economic reform, adopting similar policies during periods of transition to market economies. Yet, the legacy of privatization is a complex one, winning both successes and failures. While there has been tremendous success and innovation in some industries since privatization, others have faced challenges such as service quality issues and lack of competition (Chris, 2017, p.90, 93,95).

On the other hand, a crucial shift permanently altered the relationship between individuals and the government. By early 1991, over fifty percent of the general public industrial sector was transferred to the private sector, moving 650,000 workers from public to private sector firms, in which 90 percent had been now shareholders. Overall, nine million people, twenty percent of the population, had been now shareholders-nearly triple the proportion of the pre-Thatcher years. About one and a quarter million public housing units were sold to private owners, the maximum of them former renters (Bolick, 1995, p.545).

In the same context, Thatcher carefully redefined the role of the state, eliminating areas where she believed it had had an illegitimate influence, such as ownership of public utilities, and strengthening it in some areas where it is responsible, especially law and order, security and financial stability. This was a subject she returned to again and again: I believe you need a very strong Government to be strong on those things that only Governments can do. And strong enough after that to leave the rest to the people because that is the essence of a free society (Goodlad, 2016, p.261).

Moreover, the deregulation of banking and finance was another major policy change. Beginning in the 1980s, banks lost their monopoly on lending only for large retail companies to provide financial services to customers, creating a monetized economy with profits from credit and financing. This facilitates borrowing to families without secure incomes. Easy credit operated as a substitute for wage rises and improved welfare benefits. Since then, the boom years

of the 1990s began. Deregulation extended to the currency and capital markets, which were now 'liberalized' from the restrictions, and exchange controls were abolished, unleashing the flow of trade, finance, currency, and capital even though the results were mixed

(Garland, 2016, p119-120).

2.4. Changing Attitudes Towards Welfare state

Margaret Thatcher, marked a transformation in attitude towards social welfare, advocating for reduced state intervention and emphasizing individual responsibility. However, public opinion eventually shifted back towards supporting more welfare, indicating a complex and evolving societal view on the matter. As Leader of the Opposition in the 1970s, Thatcher railed against the 'post-war consensus' that revolved around full employment and the welfare state, which is why she is often characterized as an uncompromising opponent of it. However, she had more nuanced views about the welfare state, and her changes were motivated by a conviction in individuality that goes beyond being reduced to avarice and self-interest.

As a response to the privations of the 1930s depression, the Second World War, and the subsequent years of austerity and reconstruction, The British welfare state was constructed over the first half of the twentieth century, supported by the Labour government elected in 1945. It was widely welcomed across society, its provisions were extended through the next decades. The welfare state was built on Keynesian foundations, based on a belief that demand management could ensure a growing economy characterized by full employment in which welfare state provisions—such as unemployment benefits, catered for those temporarily experiencing want, out-of-work benefits were a stopgap provision for workers between jobs. This system broke down in the 1970s when the economy was characterized by stagflation and the onset of globalization. a model of welfare was promoted, notably by the New Right, and adopted by the Conservative Party under the leadership of Margaret Thatcher. The state's main role of demand management was to be replaced by supply management with a more flexible

labor market. Structural changes in the pattern of employment meant that unemployment would be more frequent for many workers, and the state's role was to minimize that risk through retraining and other policies ensuring that people did not become dependent on welfare benefits. This Welfare reform not only involved a major reorientation of political, economic, and social beliefs but also required a major shift in public attitudes towards the effectiveness of the welfare state in general (Deeming & Johnston, 2017, p.395-396).

The social security policies of Margaret Thatcher 'death by a thousand cuts'. The purpose was not to abolish the welfare state entirely, but to reform it, leaving social security as a last resort for the poorest minority, and making it irrelevant to those on middle and high incomes, who would prefer private provision instead. In this, Thatcher was successful

(Sutcliffe-Braithwaite, 2013).

The British welfare state was reoriented towards a new welfare-to-work regime that encouraged waged work, achieved in part by making unemployment benefit levels fall in real terms, thereby encouraging unemployed workers to move from benefits into paid work. That attitudinal change was slow, with many remaining wedded to the Keynesian principles of full employment guaranteed by the government and a beneficent welfare state for those unable to support themselves (Deeming & Johnston, 2017, p. 396).

In short, Thatcherism contributed to a considerable shift in attitudes towards the welfare state, the Conservative government started working to restructure the UK's social and economic landscape. Central to Thatcherism was the conviction in the priority of individual responsibility and the free market. This ideology was in sharp contrast to the post-war consensus that enabled the creation of the welfare state by the Labor government in the 1940s. Thatcher and her proponents argued that the country had become bloated and weak, and stifled economic growth and privatization. Hence, the Thatcher government implemented far-reaching reforms to reshape the welfare state. Thatcherism, however, left a memorable impact on British society,

changing perceptions of the welfare state and stimulating constant discussion about the role of the state in providing social welfare.

2.5. Criticism of Thatcherism

Thatcher during her time in power from 1979 to 1990, has left an indelible mark on the United Kingdom. Although Thatcherism was hailed by some as a transformative force that revived the British economy and improved living conditions, it faced considerable criticism for its perceived flaws and negative impact on sections of society. Therefore, Thatcherism has been subject to several criticism:

2.5.1. High Unemployment Rate

The Thatcher tenure was marked by the "persistence of intractable problems" high unemployment, the ongoing contraction of manufacturing capacity, repeated bouts of high inflation, and balance of payments problems, in which a high level of interest rates, high exchange rates, and reduced British industrial competitiveness due to the decline of traditional manufacturing industries, pushed Britain into an unnecessarily deep recession. Output fell, one-fifth of the manufacturing sector disappeared and in eighteen months unemployment doubled to over three million. The Thatcher government had inherited a (declining) rate of 4% in 1979; in 1981 it averaged 8.3%. By 1985 it had reached more than 11% (Brassloff, 1969, p.359).

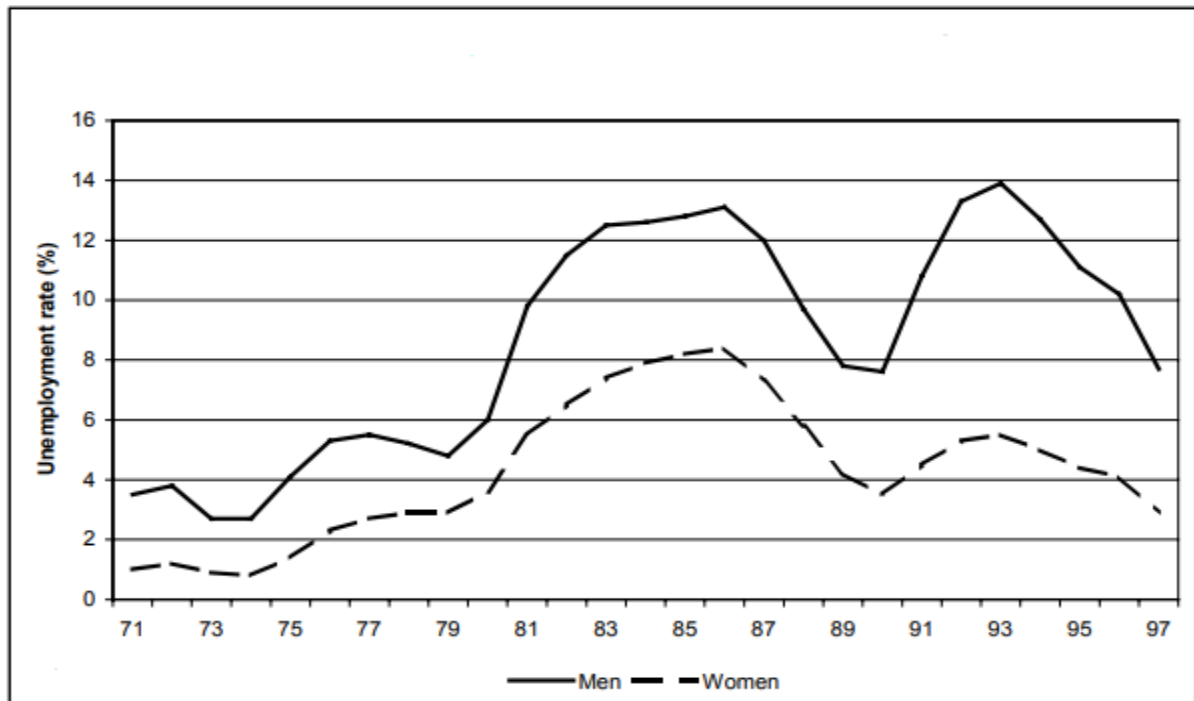


Figure 2.1. *Unemployment Rate among Men and Women*

Note. Adapted from *Thatcherism, New Labour and the Welfare State*, by Hills. J, 1998, Centre for Analysis of Social Exclusion, p.05.

2.5.2. Socioeconomic Inequality

Critics argued that Thatcherism exacerbated existing inequalities within British society. Thatcherite tax policies increased indirect taxation, mainly through VAT, and compulsory national insurance. These measures were regressive, affecting the earnings of the poor compared to the wealthy. As a result, Thatcherism's tax policies widened inequality in British society. The least wealthy segment of the population, including the unemployed. The privatization of state-owned industries was seen as favoring the wealthy and corporations. The trend of rising inequality that had already begun under the Callaghan government in 1977 intensified under Thatcher. Her policies faced widespread criticism for creating a "low class" reminiscent of Victorian times (Evans, 2004, p.31).

On the other hand, income inequality was a prominent sign through this era. The incomes of the poorest fifth of the British population rose by between 6 and 13 per cent from

1979 to 1993, while the incomes of the richest fifth rose by more than 60 per cent (Jackson & Saunders, 2012, p.15).

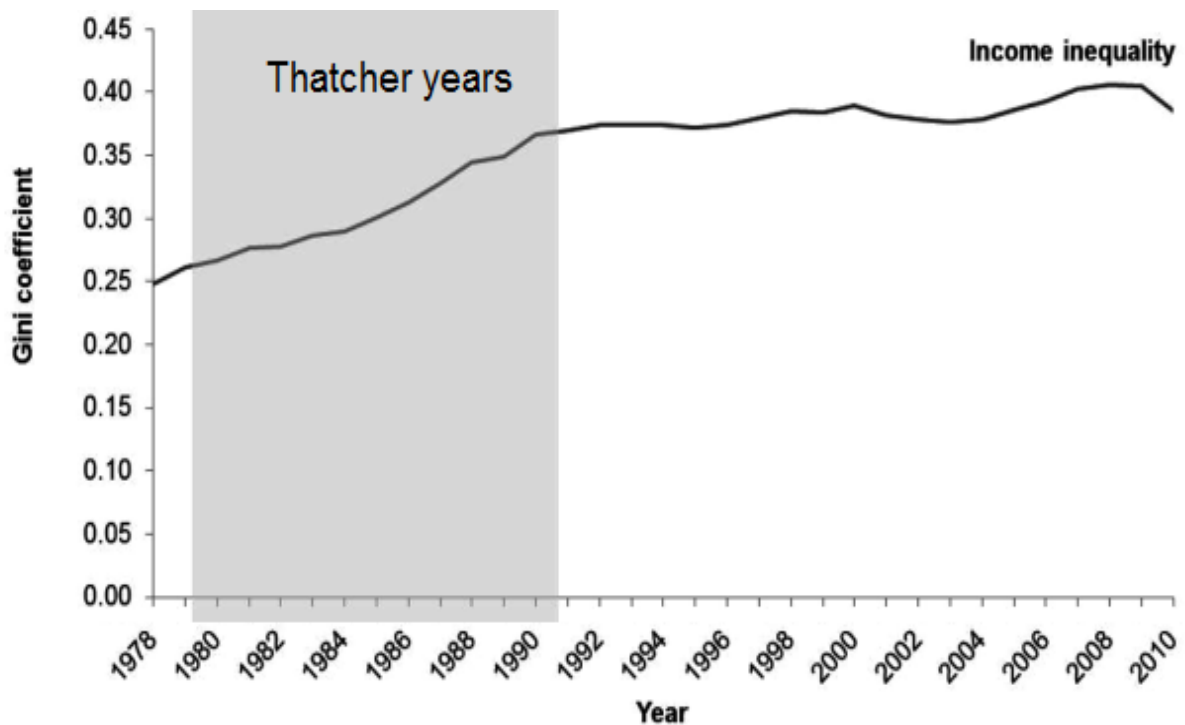


Figure 2.2. *Income Inequality during Thatcher Era*

Note. Adapted from *How The Impact of Thatcherism on Health and Well-Being in Britain*, by Samuel, A. S., Bambra, C., Collins, C., Hunter, D., McCartney, G., & Smith, K., 2014, *International Journal of Health Services*, 44(01), p.67 (<http://dx.doi.org/10.2190/HS.44.1.d>).

Note. the Gini coefficient (or Gini index) is a measure of statistical dispersion intended to represent the income or wealth inequality within a nation or a social group. It is one of the most commonly used metrics for this purpose. The Gini coefficient ranges from 0 to 1, where:

- **0** represents perfect equality, where everyone has the same income or wealth.
- **1** represents perfect inequality, where one person has all the income or wealth, and everyone else has none.

The Gini coefficient can also be expressed as a percentage by multiplying it by 100, ranging from 0 to 100.

2.5.3. Lack of Regional Development

The North-South divide is a commonly used concept to illustrate the territorial inequalities among different regions in England and the wider United Kingdom in terms of development, it portrays the North after the decline of the heavy industries, and the rise of the unemployment rate, facing economic and social challenges, contrasting with a prosperous South dominated by the service sector. This dual representation describes a dichotomy of a powerful South as the center and a struggling North as the periphery. Politicians, particularly those from the North, have employed this narrative to advocate for increased resources and greater decentralization of power. However, regional disparities in the UK during the Thatcher era are much more intricate and multifaceted than a simple two-way divide, which represents the dark side of Thatcher's economic policy consequences (Bailoni, 2014).

Consequently, the country became a 'divided nation', a society split between the rich and the poor, between the employed and the unemployed, with communities entrapped in impoverished inner-city areas and those living in comfortable outskirts, between one nation residing in a depressed 'north' and much more prosperous 'south'. Indeed, a central tenet of this controversy is the contention that since 1979, the economic policies championed by Mrs. Thatcher led to a profound north-south socioeconomic hole. The repercussions of these policies had expanded, deepening disparities and perpetuating inequalities. The divide manifests not only in economic levels but also in social and cultural domains, creating contrasts in living standards, opportunities, and quality of life between regions (Martin, 1988, p. 389).

The North-South divide emerged prominently during the 1980s, largely influenced by the economic policies implemented by Margaret Thatcher. These policies were met with incomprehension or rejection in the North, where traditional industrial regions were grappling with rising unemployment and economic crises. Labour politicians in the North capitalized on this sentiment to their advantage. The geographical and political landscape of England played a role in shaping this divide, as decisions to close factories in the North were often made by

institutions located in the South, including government ministries and corporate headquarters primarily based in London. Consequently, there was a prevailing perception that the Conservative government not only neglected the issues faced by the North but also exacerbated regional disparities. Thatcherism was widely criticized for allowing the South to prosper at the expense of the North, intensifying the economic gap between the two regions (Bailoni, 2014).

2.5.4. Increased Rate of Poverty

Poverty during the 1980s can be attributed to two main factors: the impact of the recession and the social policies of the government. The unemployment rate has more than doubled since 1979, leading to a considerable decline in living standards for those who become unemployed, especially those who remain chronically jobless for extended periods. The recession has also widened income inequality, in which low-paid manual workers experience a relative reduction in their wages, while the highest-paid individuals have seen their incomes rise. Thatcher's government, which came to power in 1979, aimed to radically change the role of government and decrease welfare spending. The rate of poverty witnessed a remarkable rise reaching 24 percent by the end of Thatcher's premiership. All previous post-war governments had taken measures to counteract growing inequality resulting from changes in income distribution, but the Thatcher government sought to reduce state involvement, although the actual changes implemented were not as radical as expected, they contributed to a more unequal society (Mack & Lansley, 1985, p.04-05).

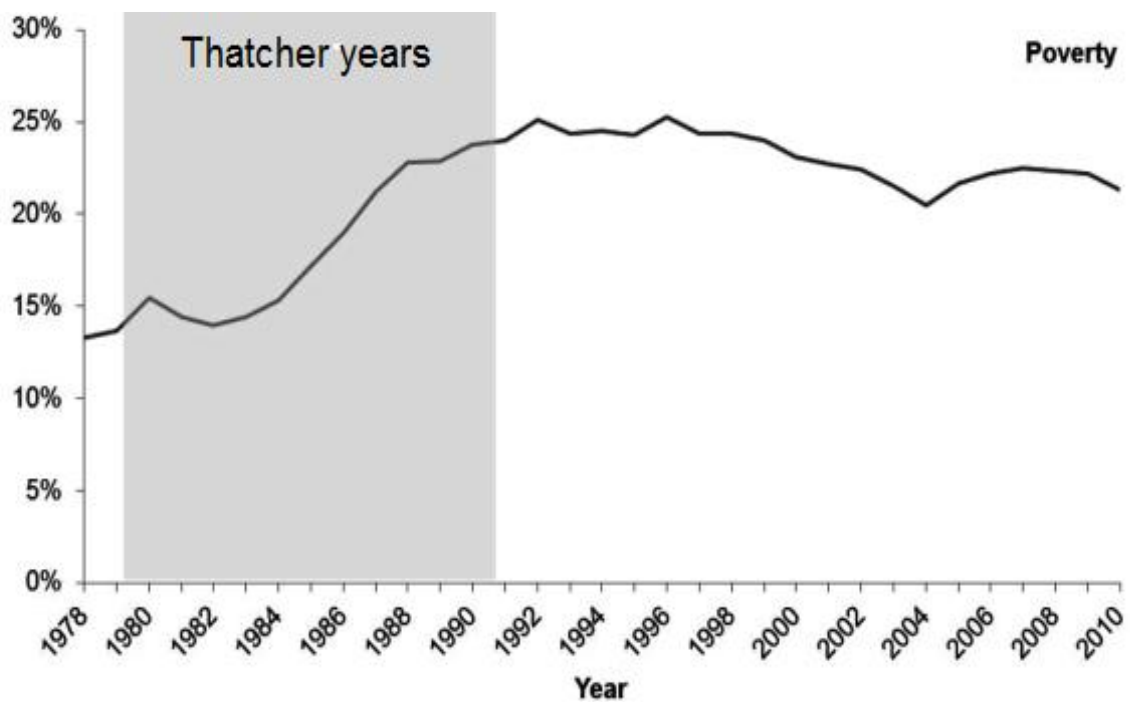


Figure 2.3. Rate of Poverty during Thatcher Era

Note. Adapted from *How The Impact of Thatcherism on Health and Well-Being in Britain*, by Samuel, A. S., Bambra, C., Collins, C., Hunter, D., McCartney, G., & Smith, K., 2014, *International Journal of Health Services*, 44(01), p.67 (<http://dx.doi.org/10.2190/HS.44.1.d>).

From 1975 to 1985, the United Kingdom experienced a sharp surge in poverty rates, with a nearly doubling from 6.7 percent to 12.0 percent (Samuel et al., 2014, p.59). Additionally, there were changes in taxation and several changes in social security that have made those dependent on benefits poorer. Moreover, benefit cuts were imposed on the incomes of the poorest category of society. The consequences of all these measures have been that the living conditions of the majority of the poor have fallen (Mack & Lansley, 1985, p.05-06).

Conclusion

To conclude, the legacy of Thatcherism had a considerable influence on the social, political, and economic landscape in Britain. Its contemporary impact went beyond the UK, adopting effective Neoliberal policies contributed to the widespread neoliberal socio-economic

policies in different parts of the world, in addition to the impact on politics and subsequent governments, the Labour Party in particular. The latter embraced the free market ideology that was inherited from the Conservatives' economic record. Once adopted by both ruling parties, the free market agenda became the new orthodoxy. Moreover, the social and cultural legacy of Thatcherism represented new aspects in Britain. For instance, culturally, individualism, nationalism, ownership, and free choice are remarkable values that Thatcherism relies on to reinforce its ideology, besides some social consequences such as poverty and inequality. Then, the economic legacy of Thatcherism had and still making a difference, the liberation of the market, privatization, and deregulation were key principles. Despite this, Thatcherism's policies were subjected to criticism of Thatcherism due to its negative sides as the high unemployment rate, socioeconomic inequality, lack of regional development, and increased rate of poverty. However, the legacy of Thatcherism is still highly debated among Britons.

General Conclusion

The idea of this research arose from the considerable transmission in Britain economically, socially, and politically during the administration of Margaret Thatcher. Hence, the examination of the major changes under the unique neoliberal policies of Thatcherism on many levels from one side, and the legacy of Thatcherism and its impact on social welfare in the present day from the other side, is highly significant. In the introductory part, providing a biography about Margaret Thatcher, the concept and the historical background of Thatcherism are important to better understand the topic. Moreover, it highlighted the fundamental policies, socioeconomic reforms, and the impact of Thatcherism in Britain to explain the general shifts in that period. The second part discussed the contemporary impact of Thatcherism, in addition to the current legacy of Thatcherism from different domains such as social life, economy, and culture. It also shows some of the shortcomings that picture the dark side of it.

Accordingly, this study aimed to examine the large shift implemented by Thatcherism to reform social welfare in Britain, and investigate how Thatcherite procedures have influenced the structure and delivery of social welfare under the umbrella of Thatcherism legacy. So, to carry out the current study, a set of questions must be asked: What were the key policies of Thatcherism? And were they effective in addressing the socioeconomic issues in Britain? What are the socio-economic outcomes associated with the implementation of Thatcherite policies? What are the contemporary impacts concerning social welfare provision in Britain, and how do they relate to the legacy of Thatcherism? Three main hypotheses were formulated to answer the research questions: The first hypothesis assumes the effectiveness of Thatcherite policies. The second one assumes the positivity of socio-economic outcomes of Thatcherism. The third one assumes a high relationship between the present social welfare provision with the legacy of Thatcherism.

The research questions can be answered through the collected data from the literature review of previous studies and works that had the same subject. First, neoliberal policies adopted

by Margaret Thatcher, including a free market economy, privatization, deregulation, and limited government intervention in the economy were implemented more than necessary in response to several considerations. the main reason is the failure of Keynesian economic management, which relies totally on full employment, high expenditure on welfare, limitations regarding monetary policy, and public debt which burdened the whole nation socially and economically, especially during the 1970s when Britain witnessed an economic recession. Additionally, a swollen public sector, the state became more and more interventionist, and the authority of government became progressively weaker in the face of powerful trade unions and other sectional interests. So, Britain was about to collapse.

In the same vein, the policies of Thatcherism proved their capability to improve living conditions. For instance, the privatization of state-owned enterprises along with other institutions, resulting in the abolition of monopoly, encouraged ownership and fostered competition in different domains, after being controlled and subjected to the local authorities, reflecting Thatcher's doctrine of the free economy and the strong state. These policies proved to be effective. On the other side, the socio-economic outcomes associated with implementing Thatcherite policies were mixed, but satisfactory for a considerable part of British people through the comprehensive reforms in vital sectors such as education, healthcare, housing, and, employment resulting in improvements in living conditions. For example, the unemployment rate in 1985 reached 12%, but Thatcher managed to decrease the unemployment rate to around 06 % by 1990. However, these policies left some negative consequences such as poverty, inequality, and High crime rate.

Finally, the study shows that the legacy of Thatcherism and its impact on social welfare provision in Britain persist. Despite Thatcher's government refused the idea of the welfare state but reduced social welfare provision. It increased the role of the private sector, encouraged individualism, and personal responsibility. The subsequent governments maintained Thatcher's policies, which can be observed through the privatization of services, Austerity measures, free

market, in addition to reduced state dependency. All of these represent an enduring Thatcherite legacy that remains in force in the present government.

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ملخص

شهدت بريطانيا خلال قيادة رئيسة الوزراء مارغريت تاتشر (1979 إلى 1990) تحولات كبيرة على كافة المستويات. وخلافاً لأي حكومة سابقة، اتسمت هذه الفترة بتنفيذ السياسات النيوليبرالية، ونهاية دولة الرفاهية التي تم اعتمادها في أعقاب إجماع ما بعد الحرب العالمية الثانية. قيدت التاتشرية التي تشير إلى السياسات التي دعت إليها تاتشر توفير الرعاية الاجتماعية، وحاولت تحسين الظروف المعيشية من خلال تنفيذ الإصلاحات في القطاعات الحيوية بما في ذلك التعليم والرعاية الصحية والإسكان و التشغيل. إستمر تأثير التاتشرية في تشكيل سياسات الحكومات اللاحقة بعد ثلاث فترات من رئاسة تاتشر، على الرغم من أن هذا التأثير على الرعاية الاجتماعية كان محل نقاش واسع النطاق. تهدف هذه الدراسة إلى تحديد سياسات التاتشرية في عهد إدارة مارغريت تاتشر وأثرها على الرعاية الاجتماعية، بالإضافة إلى النتائج الاجتماعية والاقتصادية للسياسات التاتشرية، والآثار المعاصرة فيما يتعلق بتوفير الرعاية الاجتماعية وعلاقتها بإرث التاتشرية. وتعتمد الدراسة الحالية المنهج النوعي الذي يستخدم كلا من المنهج التاريخي والوصفي. كشفت نتائج الدراسة أن السياسات التي نفذتها تاتشر كانت في كثير من الأحيان فعالة في معالجة القضايا الاجتماعية والاقتصادية؛ ومع ذلك، فإن النتائج الاجتماعية والاقتصادية للتاتشرية كانت متباينة و كانت لها نتائج سلبية مثل الفقر وعدم المساواة الاجتماعية.

كلمات مفتاحية: بريطانيا، السياسات النيوليبرالية، الرعاية الاجتماعية، إرث التاتشرية .