

THE THATCHER GOVERNMENT

Peter Riddell

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THATCHER AND FRIENDS

John Ross

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The Conservatives' sweeping parliamentary victory in 1983 makes the Thatcher government likely to be the most durable party administration since the Conservative governments of the 1950s. But how permanent are the changes that Thatcherism has brought? Is Conservatism once again dominant and unassailable? Will a second term see the major reshaping of British economy and society promised by the Thatcherites substantially achieved?

John Ross provides a bold, at times breathtaking, survey of the rise and decline of the Conservative party during the last 130 years. His aim is to lay bare the economic determinants of Conservative politics and electoral support, and he discusses the changing recruitment of Conservative MPs and cabinets, the changing source of funds for the Conservative Party, the relationship of the party to the leading sectors of British capital, and the long term trends of the party's electoral support. Among many striking facts he brings out is the close match between those companies that fund the Tory party and the sectors that have prospered during the recession, and he shows how these sectors have historically been the dominant sections of British capital. Though some of his conclusions and interpretations will be challenged, the amassing of so much material in such a readable and concise form is invaluable. This is the best short handbook on the Conservative Party that currently exists.

Peter Riddell is the Political Editor of the *Financial Times* and has written a very different kind of book. This is a careful and detailed examination of the actual record of the Thatcher Government which he contrasts with the rhetorical claims of its supporters and opponents. He discusses the origins of the Conservatives' 1979 programme, then goes through the policies introduced after 1979, listing what was done and not done and why. The thoroughness and shrewdness of the analysis makes this book the single most important and reliable source for the policies and events of the first Thatcher

government, and will correct many misapprehensions. But it has a wider interest because Riddell is seeking to answer the question, how much has Thatcher changed British politics? Is it right to speak of a Thatcher experiment and a Thatcherite strategy, and if so is it now right after the 1983 victory to speak of a new Thatcherite consensus in British politics?

Riddell deploys strong arguments for doubting the radical and innovative character of Thatcherism. The evidence shows, he claims, that the Government has had 'a less than coherent strategy'. If there was a Thatcher experiment in economic management it was launched by Denis Healey. The reduction of inflation, he thinks, was not due primarily to the medium term financial strategy but to the recession. The Government's technical economic management was incompetent, and he cites studies showing that the dramatic productivity gains of 1980/81 have been short-lived. Spending policies and industrial policies have been muddled and inconsistent. The Government has failed to mount a sustained challenge to universal welfare provision, and has showed greater commitment to private enterprise than to the free market.

He concludes that although Thatcher has won the political initiative in Britain, the Thatcher Government has achieved relatively little. It has been unable to reverse decline or shift decisively popular attitudes on welfare and the public sector. He expects that when the Conservatives lose office many of the distinctive Thatcherite policies will be reversed. Thatcherism will appear as another episode in the long process of managing decline, not a decisive turning point towards a revitalised economy and a new political order. The Thatcher experiment has been a failure. It has challenged but not overturned the post-war consensus.

Loyal Thatcherites reading this after the TUC's decision not to support the NGA and the growing evidence of a substantial economic recovery might be forgiven for thinking, if this is failure who needs success? But Riddell is clearly right in believing that the crucial tests for the Thatcher Government will come in its second term. One of these tests will be the strength and permanence of the recovery now under way. A second test is the kind of political system Thatcherism will leave behind.

This is one of the questions John Ross addresses. He argues that the British party

system is breaking up and that the primary cause is the decline of the Conservative Party. He documents in considerable detail the rise of the Conservative Party to its electoral high point in 1931 and its subsequent decline. Every major Conservative victory since 1931 has seen the Tory percentage of the vote at a lower level than the one before and the regional support which the Conservatives once commanded in N. Ireland, in Scotland, in Lancashire, and in the West Midlands has been gradually eroded. Thatcher's victory has temporarily arrested this loss of support but not Ross believes reversed it. This is because the economic interests which the Tory party represents are no longer compatible with the political alliance which allowed it to secure a dominant electoral position. In the 1970s the relative decline of the British economy reached a point where world recession dramatically exposed and penalised the backwardness and uncompetitiveness of large parts of British industry. Ross interprets Thatcherism as an attempt to reverse decline by favouring the most successful sectors of British capital at the expense primarily of manufacturing industry.

Ross believes the strategy will fail because the prosperity of the British economy cannot be restored by relying on the dominant sectors alone. The Conservatives are likely to suffer a major electoral



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collapse at some future election which will carry their support down below the 35% achieved in October 1974. This poses a severe dilemma for British capitalism, because, Ross argues, the nature of Britain's 'investment imperialism' means that its key interests cannot be safeguarded permanently by a social democratic party which is rooted in the labour movement. Ross explains the rise of the SDP as part of the attempt by forces hostile to socialism to create a non-socialist alternative to the Conservatives, so that in future pro-

capitalist parties always control or participate in the government. On this reading the key test of whether the Thatcher experiment has been a success lies in the character of the opposition that next wins an election against the Conservatives. If this is the Alliance then crucial aspects of the Thatcherite period, such as the trade union legislation and the privatisation measures, will not be overturned. The result could be a long-term marginalisation of Labour and socialist ideas and interests in British politics.

Koss draws the conclusion that any attempt to organise a coalition of anti-Thatcher forces rather than pro-Labour forces will permit the effective consolidation of the Thatcherite consensus and the stilling of socialist opposition. Only a Labour Party that remains independent of alliances and committed to socialist policies can prevent the consolidation of the Thatcherite consensus.

Riddell lays too little emphasis on the changing character of the party system. He notes but does not further consider the

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quite far-reaching changes in British politics which could occur if the Thatcher government succeeded in what increasingly appears its primary political aim — the permanent weakening of the Labour Party and the labour movement. Only if that is done, however, does continued management of decline on the present pattern remain politically safe. Ross sees the effects of the disintegration of the party system very well but it is misleading to pose the choice for Labour simply as pro- or anti-coalition. It remains unclear from his account how, given the present balance of forces in British politics, a Labour Party that fails to become the main focus for the anti-Tory majority can prevent the alternative scenario which Ross outlines from being realised — the emergence of the Alliance as the main opposition. That might signal the end of Thatcher's personal rule, but the Thatcherite consensus would look much more permanent.

Andrew Gamble