

# Britain's De-industrialization and Privatization: The Economic and Social Legacy of Margaret Thatcher, "The Iron Lady"

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*"We understood the Conservative government's determination to use the state machine against us. In order to dismember the welfare state, they had to break the trade union movement and they needed to break the miners first."* – **Mick McGahey, Vice President of the National Union of Mineworkers 1972-87.**

As British UK Prime Minister from 1979 to 1990, Margaret Thatcher changed the face of British society and will remain a socially divisive figure for years to come. For those on the right, including the current bunch of millionaire cabinet members of the British government, she saved Britain from the power of militant trade unionism and created an aspirational society. For many others, however, she was instrumental in destroying manufacturing industry, boosting class privilege and eroding the rights of ordinary working people.

The daughter of a grocer, Margaret Thatcher was born in Grantham, Lincolnshire, and went on to read chemistry at Oxford. She later trained as a barrister and entered parliament as a Conservative MP in 1959. As a woman of conviction, her stated mission when PM was to unleash the entrepreneurial spirit by rolling back the 'nanny state' to let people stand on their own two feet. More generally, she nailed her political colours to the mast by not only denouncing Nelson Mandela as a terrorist and defending the Chilean fascist dictator Augusto Pinochet, but by stoking the Cold War to near boiling point.

Thatcher won three general elections, aided by a weak and split opposition, and never polled more than one third of the vote. She wasted little time in crushing the power of the trade unions and indeed anyone else that got in the way of her pro-rich, pro-privatisation policies. She brought in Europe's fiercest anti-trade union legislation, while implementing a raft of subsidies and tax breaks for the private sector and the rich. Under the guise of 'wealth creation', key state assets were privatised, and an array of business-friendly statutes, interventions and state backed quangos were introduced to help administer her policies.

Despite her rhetoric, she didn't actually reduce the role of the state. She used its machinery differently, on behalf of business to ensure the flow of wealth from bottom to top. Neither did she unleash the spirit of entrepreneurialism and 'create wealth'. Economic growth rates under her were the same as in the 1970s, but a concentration of ownership occurred and levels of inequality rocketed. Thatcher and the City of London financial interests that backed her also brought about deregulation of the financial markets, which, ultimately, contributed towards the collapse of the banking system.

I remember living through the 1980s in Liverpool, the UK city possibly worst affected by Thatcher's policies, although towns and communities across the country were more or less similarly affected and even today have not recovered. There was huge unemployment, severe industrial decline, economic and urban decay and subsequent rioting in the city. A left wing city council came to power intent on challenging Thatcher. If the mighty shock troops of the labour movement, the National Union of Mineworkers, the bedrock of the working class movement, had already been baited and ground to dust during the 1984-1985 miners' strike, what chance did a single city authority have?

Whether at home, or on the international stage, Margaret Thatcher was highly skilled in manipulating certain strands of latent populist sentiment and prejudice, with the help of a willing right wing media. Her free market, anti-big-government platitudes were passed off to a section of the public that was all too eager to embrace them as a proxy for remedying all that was wrong with Britain. For many Brits, what were once regarded as the extreme social and economic policies of the New Right became entrenched as the common sense of the age.

Thatcher was essentially a mouthpiece for powerful bankers and industrialists who were determined to defeat socialism or trends towards it within western economies and who abhorred any restrictions on their activities, such as capital controls. They and their 'think tanks' were determined to shatter the post-war Keynesian consensus based on a robust welfare state and government intervention in the economy to help secure full employment. Any notions of 'fairness' and the perceived benefits to be derived from the welfare state were to be substituted for positive notions about the free market and individual responsibility in order to justify the real intention of shifting the balance of power towards elite interests.

Thatcher was an important cog in the wheel because of her presentation skills. Politics and politicians in advanced capitalism serve as the PR arm of the military-financial-industrial complex and Thatcher performed her role well.

She went on to preside over the dismantling of much of Britain's manufacturing industry, the stronghold of the union movement, and used mass unemployment to keep wages low and to weaken union militancy. Her policies destroyed a fifth of Britain's industrial base in just two years alone. The service sector, finance and banking were heralded as the new drivers of the economy, as much of Britain's manufacturing sector was out-sourced to cheap labour economies to maximise profit for the few. As a result, for many working people, the dignity of having a trade has now been replaced by low pay, part-time Macjobs, worklessness and a life of debt and financial insecurity.

Under Thatcher, employees' share of national income was slashed from 65% to 53%. As ordinary people's wages fell, demand for especially higher priced goods lessened and an unsustainable level of personal credit was introduced in order to boost consumer spending. Tony Blair's 'New Labour' government continued where Thatcher left off, in this respect. In many ways, setting the groundwork for the creation of 'New Labour' was possibly one of the Thatcher era's finest achievements.

With an economy no longer underpinned by manufacturing, but by finance capital, speculation, hedge funds, credit derivatives and all manner of secretive dodgy dealings that eventually hit the fan, ordinary folk are now being saddled with paying off the debt incurred

by covering the losses of those who indulged in such criminality. What price a sound manufacturing infrastructure and decent wages and jobs now?

During the Thatcher years, as Britain de-industrialised, mass unemployment kicked in. Britain witnessed a spiraling gap between rich and poor. Thatcher's legacy is a banking crisis coupled with a vulnerable and weak economy, worklessness, unemployment, consequent social breakdown and a pervasive greed culture of me-first acquisitive individualism, the effects of which are so graphically witnessed in our towns and cities today: a descent into drugs, alcohol, crime, community breakdown, fear for personal safety, youth offending and a range of other social problems. According to a study by York University in 2006, British children were among the unhappiest and unhealthiest in Europe. A UNICEF report came to similar conclusions: children growing up in the United Kingdom suffer greater deprivation, worse relationships with their parents and are exposed to more risks from alcohol, drugs and unsafe sex than those in any other wealthy country in the world.

Much of the rhetoric from the Thatcher era was concerned with 'freedom' – freedom of the individual, freedom from the state, freedom of the market, freedom from trade unions and so on. And Thatcherism did of course eventually make us all totally free: free to be monitored and surveyed by the state like no other country in Western Europe, free to be cynically targeted by the market, free to pick up the tab for the failings of financial capital, and free to build up the greatest amount of personal debt and misery in Europe. 'Freedom' within the confines of what increasingly resembles an open prison isn't much to celebrate.

Of course, any evaluation of Margaret Thatcher's legacy will be swayed on the basis of the gap between the type of society that people aspire to live in and the kind of society that they currently have. Unfortunately, for millions of ordinary Brits, the gap between the two has become a chasm. For many, any assessment of Margaret Thatcher is already set in stone. Ultimately, Thatcher helped deliver Britain into the hands of the bankers and oligarchies that have not only come to dominate Britain, but the wider world too.

Due to her strident anti-socialist rhetoric, the USSR once called her the iron lady. However, history has shown her to be no iron maiden, but a mere handmaiden.

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