

The Evolution of Thatcherism (2003)

15 March 2003

The process that has led neoliberalism (once called Thatcherism) to become something we consider to be common sense—a natural, inevitable result of economic efficiency—is a research area of particular interest to Adam Tickell, Professor of Human Geography in the School of Geographical Sciences.

Aside from some academics and members of the business community, the term ‘neoliberalism’ is largely unknown and unused by the public at large, despite the fact that it is the defining political economic paradigm of our time. It comes in many guises that we may be more familiar with—‘Reaganomics’, ‘Thatcherism’, ‘supply-side economics’, and ‘monetarism’, to name just a few—but essentially it is the process by which we accept that the most appropriate way to deliver goods and services is through ‘market allocation’, rather than through any other form of organisation.

If you look back over the past 60 or 70 years there were all sorts of ways that people thought their services ought to be delivered, although essentially we are talking about a shift away from these services being delivered by the State and towards them being delivered through the market. Clearly, at some point a political choice has been made to go in this direction, but how did that happen? How has delivery through the market become such ‘common sense’?

Neoliberalism was initially politically associated with Reagan and Thatcher but has since become the dominant global political economic trend adopted by Western political parties of the centre, much of the traditional left, and the right. Its recent roots date back to the 1950s and ’60s when a relatively small group with a clear political agenda made parallels between government ‘interference’ in the economy and the totalitarian regimes of the 1930s and of the Warsaw Pact countries. However, they were only able to make real inroads into Western

countries during the crisis of the 1970s when inflation mushroomed, Britain’s balance of payments appeared to be catastrophically in the red—in fact it is far worse now—and unemployment hit post-war highs. The British and American economies were considered to be on their knees.

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The crisis was perceived as resulting from a failure in the way social democrats managed the whole economy, and neoliberal political activists were able to articulate an entirely novel programme that would sweep away the State from whole areas of economic and social life. And that is why, put rather simply, during the 1980s the neoliberals were able to seize the moment, which they did very effectively. But what Tickell finds of particular interest is the way in which the phenomenon of neoliberalism has evolved since that time, despite what has apparently been a complete change of political ideology.

It is too easy to say that Tony Blair and George Bush are the same as Margaret Thatcher and Ronald Regan in their ideologies—they are clearly not—but what is evident is that neoliberalism changes and mutates in order to maintain itself as a sustainable political project. In other words, rather than neoliberalism collapsing under the weight of its own contradictions, Tickell’s research explores how it has learnt from its mistakes and overcome them in the medium term.

Tickell would argue that the problem with many critical analysts of neoliberal politics is that their analysis is first and foremost political and only secondarily intellectual. Consequently they are not prepared to see the way in which *a*) neoliberalism learns, and *b*) it is internally functional. For example, the gains in economic efficiency that neoliberal economic policies give, bring in their wake a whole of host of social and geographical problems that could undermine the political sustainability of neoliberal governments.

During the 1980s the response was, effectively, to expect the ‘victims’ of unemployment to ‘get on their bikes’. To counter this attitude a process that started under John Major and has been accelerated by the current government has provided a stronger safety net for the

poor, particularly the working poor. However, while the minimum wage and working families tax credits have reduced many of the tensions that result from freer markets, in effect, taxpayers now subsidise low wages.

One of the problems associated with neoliberalism is undoubtedly a marked increase in inequality using almost any measure you care to choose. Whilst inequality fell between 1950 to 1975, between the '80s and '90s it increased markedly, and has continued to increase slowly ever since. This is true socially—the richest 10 per cent in western countries have seen their real incomes grow rapidly, whilst the poorest 10 per cent have had static or falling incomes. But it is at the global scale that patterns of inequality appear so acute: the annual growth in the size of the American economy is bigger than the entire economy of the whole of Africa south of the Sahara, although we should remember that even in the richest country in the history of the world—the USA—some people in inner-cities have life-expectancy rates similar to those in third world countries.

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Tickell is concerned that debates around neoliberalism have become unnecessarily polarised. On the one hand, the 'antiglobalisation movement' (itself an amorphous and contradictory coalition) points to a massive increase in social and economic inequality, a marked increase in severe deprivation for the poorest nations and peoples of the world, a disastrous global environment, an unstable global economy, and an unprecedented bonanza for the wealthy. On the other hand, defenders of the neoliberal order claim that economic efficiency and the hidden hand of the market means that the spoils of the good life will spread widely. Instead, a sober analysis of the logic and inconsistencies of the system is necessary in order to question the implicit claim that, in the words of Margaret Thatcher, 'there is no alternative'.