

What were the key changes in welfare provision under margaret thatcher (1979 – 19...



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What were the key changes in welfare provision under Margaret Thatcher (1979 — 1990) and what political ideas influenced these changes? Give examples from specific social policy areas. Margaret Thatcher was one of the most significant women in political history. She was born in 1925 and throughout her school and college career she was always interested in politics and would often take the role of a leader, for example being elected as President of Oxford University Conservative Association. She was put in the general election several times but was often defeated. It wasn't until 1959 where she made it to be an MP. In 1970 she then became the Secretary of State for Education and Science where she made changes to education systems such as removing free milk for the over 7's. This gave her the nickname the 'milk snatcher'. This was purely because Edward Heath, prime minister at the time, had ordered a cut of budgets. As Thatcher was in charge of the education side in politics, it was her duty to manage the funds and expenditure to stick the budget. And to do this her idea was to cut the school milk given out free for all children in primary education. However it is interesting to note that Edward Heath did in fact demand to abolish all free milk that was provided for children, but Margaret Thatcher decided it was still important to be supplied for the 5-7 year olds. She continued to make many changes that incredibly benefitted the country. It was when she was appointed Secretary of Education that she became apparent and influential to the public. It was from then where she begun to make some major changes. She revived the economy, improved outdated institutions and strengthened the nation's foreign policy. However in doing so she was not always very popular. She also became one of the founders of a school of

conservative conviction politics. This raised her status considerably as it had a strong and beneficial impact on politics. She was one of the most respected, powerful and confident political leaders in the world yet. This essay is going to explore the key changes she made to the welfare state and what the reasons were for these changes. One of Margaret Thatcher's most influential changes was her cutback on housing expenditure. The Housing Act 1980 was passed under Thatcher's authority, in which it gave 5 million council house tenants the right to buy their houses at large discounts. As a result of this the home ownership rose from 55% in 1980 to 64% in 1987 and the Treasury gained a substantial amount of money. Margaret Thatcher had clear aims when she passed the Housing Act. Some aims were as follows, to encourage occupation of houses to be by the owners, to reduce the local authority housing provision, to minimise the public spending on houses and obviously to gain as much advantages politically as possible. From the 1960's there had always been aims to increase house ownership and encourage it to the public. It wasn't until Margaret Thatcher was appointed that it was put in place. It was one of the most radical and influential moves she made during her time in politics and was another step in the direction the Labour Party had moved to already. The Housing Act that she passed was trying a large reform in rented housing. There were many acts in previous years that passed certain rules but none that made quite an impact as this. For example one act enforced councils were to transfer their council houses on to housing associations. The outcome of Thatcher's government agreeing and passing this rule was very positive. Some statistics show the impact it had. For example by 1990 over a million and a quarter of the

council houses had been sold and the proportion of housing that was occupied by the owner grew from 57% to 68% (1979-1989). Margaret's incentive was also to reduce public expenditure. This was also achieved by passing this act as the net capital spending was reduced considerably from £6 billion to £1.2 billion in the space of 1 year. This is therefore a decline of 80%. Thatcher also introduced a new way of deciding whether a person deserved a council house and this was by means testing. This just shows her aim to concern target benefits. However looking at Thatcher's attempt to also reform the private rented housing part, it is clear to see it was unsuccessful. This could be because those who were offered a large discount in order for them to buy their house would not choose to spend more money to move to the private sector. The people that were living in rented accommodation decreased from 43% to 32%. These people moved into rented council accommodation which therefore caused an increase in that. So it was clear to see that Margaret Thatcher made an important and beneficial decision when looking at the housing situation in Britain. The aims she set out were achieved and in time became very popular. It is also important to note that the number of homeless people that were accepted for council funded accommodation increased rapidly from 5,000 to 40,000 in 10 years. Another major change Margaret Thatcher enforced was the privatisation policy. This was controlling the money supply, to reduce the public expenditure and severely cut down on the income tax and many more. There was a lot more interest for the political reasons and not so much economical. Towards the end of the first term inflation began to fall and this is when privatisation seemed to be an inviting solution. They would reduce

the government being involved in the industry and hopefully improve the effectiveness in both privatised companies and public sector. There were a number of types of privatisation in Britain. Some of which were special asset sales and reregulation. As mentioned before the sale of council houses can also be seen as a very important part of privatisation as not only did it have a large impact on Britain but it was incredibly popular too. Privatisation needed a very large quantity of legislation. The selling of an industry or other major asset that is owned by the state to private investors, also known as denationalisation, was not associated with privatisation because of growing competition. The reason for this could be that the management of these private companies had successfully rejected the government's efforts to liberalise their industries (Rhodes 1992). The outcome of privatisation can be seen as positive and negative. Margaret Thatcher did a good job in the fact that the size of the public sector was halved in the 1980's with almost 1 million of transferred sectors. This shows some of the aims she set out to achieve were successful. Receipts for privatisation sales also increased rapidly and in 1988 were at £7. 1 billion. It also benefitted the government in that while this privatisation was occurring it was paying for the tax cuts. This therefore allowed Thatcher's government to maintain a good level of expenditure. It is clear to see that this decision Margaret Thatcher made was for a large political advantage however there was very little popularity behind it as many people opposed. The only element that proved popular was the sale of council houses as it was clear to the public the benefits they would be receiving. This did indeed provide benefits for the conservative party as with public support they get more votes. In the 1987 election, the

conservative vote was increased 1.6% than what it would have been because of the votes that had been changes due to new shareholders. It was also 0.9% up as a result of previous council house tenants that had bought their houses. (McAllister & Studlar) It is also very important to look at the changes Margaret Thatcher made into the education systems. There were many small changes made some of which are as follows. They all made beneficial differences in one way or another. One example is that Thatcher enabled academically able children to go to private schools if they have little money. When looking back at privatisation this can be seen as one of the first steps to achieving her goals (Whitty et al 1998). This is because she she is influencing the public into thinking private is right and better, therefore endorsing the belief and that they should follow in her footsteps. Thatcher also made had a large impact on industrial relations. In order for the government to gain authority they passed legislation that was used by employers and followed by unions. None of these changes were new, they had been ideas for several years but it wasn't until Margaret Thatcher gained control that these changes were made. There were 5 essential parts of legislation, many of which were the numerous amounts of employment acts. There was also the 1984 trade union act. The 1988 employment act allowed individual members of a union an array of rights that related to them. It didn't take long before the political role of the unions had practically disappeared. Evans shows that few employers and they are use the legislation and that they are influenced by the industries which have a bad history of industrial relations (Evans 1988) When looking into the change of the local government policy that Margaret Thatcher made, it is important to

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note that this was again not a new idea. Government has always wanted to restrict the expenditure and Thatcher made some alterations in order to do so. Throughout the 1980's there were many acts that were passed which highly affected the local government. For example the Local Government Planning and Land act created a whole new way of doing things. There were grant penalties for spending too much and in turn the 1985 act got rid of the Greater London council which therefore removed many boards that were over spending considerably. There was then another act passed in 1988 which highly affected councils in that there was now to be a cut back of street cleaning, cleaning buildings and many other environmental jobs the council took care of. When the government gained power to tell the council the limits to which they can spend money on general household occurrences, such as heating and lighting, the salaries changed noticeably. They rose by 9% between 1979 and 1983, and it is interesting to notice that the salaries of building roads fell a dramatic 12%. This is precisely the opposite outcome to what the government had planned. In 1988 Thatcher proposed a Local Government Finance Act that got rid of domestic rates which were then replaced with a charge that all adults were required to pay. It is clear to see that this would not have been very popular for the people affected by Margaret Thatcher's government as the money they will be paying is going to nothing beneficial for them. This charge was then called the conservatives tax (Heath) This was the most effort that the government had put in to changing Britain's welfare and it is obvious that the outcome was not that of what they had hoped. It was the least successful and reliant on the compliance by the local authorities. However these authorities never

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responded to the governments orders which probed them to create a whole new system of finance of the local government. This then had major consequences politically that were incredibly negative and put the Margaret Thatcher and the conservative party in a very vulnerable position (Marsh 1992). Thatcher's changes and impacts on the government were overall that of very positive outcomes. She was a woman that will go down in history with popularity and honour. After her role as the prime minister she became Lady Thatcher and stayed a significant character of the political world. As her views of the welfare state were proved to be very influential and beneficial she toured the world lecturing those interested and wrote many books. During this time she made some very essential interventions in the domestic side of British politics. It wasn't until 2002 where she was to end her career in public speaking due to medical issues. References; Margaret Thatcher Biography Available at: <http://www.spartacus.schoolnet.co.uk/COLDthatcher.htm> (Accessed: 16 January 2012) Hall S and Jacques M. (eds) The Politics of Thatcherism Lawrence and Wishart, 1983 Margaret Thatcher Foundation. Available at: <http://www.margaretthatcher.org/document/102377> (Accessed: 16 January 2012) Marsh, D. (1992) 'Implementing Thatcherism: Policy Change in the 1980's' [Online]. Available at <http://pa.oxfordjournals.org/content/45/1/33>. short (Accessed 16 January 2012) Evans, E. (1997) Thatcher and Thatcherism. 2nd edn. Oxon: Routledge. Cloke, P. (1992) Policy and Change in Thatcher's Britain. Jenkins, P. (1987) Mrs Thatcher's Revolution. London: Jonathan Cape Ltd. Fry, G. (2008) The Politics of the Thatcher Revolution. Hampshire: Palgrave McMillan.

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