

## The effects of Thatcherism in the urban North of England

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*The economic policies of Margaret Thatcher's governments polarised not just opinion but also whole swathes of the UK. In particular, the cities of northern England – Labour heartlands in an economically divided country – represented a counterweight during the Thatcher years. Weakened by relative decline and the continued application of Thatcherite policies post-1990, these cities now appear to have converted to a form of governance tailored to territorial competitiveness.*

Reactions following the death of Margaret Thatcher reflected deep divisions on the subject of her political legacy. Tributes and contemplation contrasted with demonstrations of joy – an extremely rare phenomenon following the death of a political leader in a democracy. All these events were extensively covered by the media, but without any real analysis of their representativeness. For example, on 9 April 2013, pro-conservative tabloid the *Daily Mail*'s headline read “The Woman Who Saved Britain” while left-wing tabloid the *Daily Mirror* deliberately took a different angle, leading with “The Woman Who Divided a Nation”. Despite the attention-grabbing headlines of the tabloid press, this is the sentiment that dominates on the left and in certain areas particularly marked by deindustrialisation and unemployment in the 1980s. Indeed, Margaret Thatcher is often accused of having increased inequality and created new social and territorial divisions during her 11-year tenure.<sup>1</sup> To what extent is this perception a reality? Are the effects of Thatcherite reforms and the reconfiguration of public policies on spatial dynamics in the UK truly visible? How can such a strong rejection of Thatcherism in certain regions to this day be explained? Can the effects of these policies still be seen today in the cities of northern England?<sup>2</sup>

### The North–South divide: a consequence of the Thatcher years?

The North–South divide is the image often used to describe territorial inequalities between the different regions of England and, more generally, throughout the United Kingdom, whereby a post-industrial North, plagued by economic and social difficulties, is depicted in stark opposition to a rich and powerful South, dominated by the service sector; a “centre” (the South) is distinguished from a “periphery” (the North). This dual representation has been used in political discourse, in particular by politicians from the North, to justify calls for more resources and the greater decentralisation of powers. Regional disparities in the United Kingdom – far more complex than a simple two-way divide – have been the subject of numerous, and sometimes contradictory, studies (Green 1988; Martin 1988; Lewis and Townsend 1989; Jewell 1994; Dorling and Thomas 2004; Morgan 2006; Bailoni 2010a; González 2011).

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<sup>1</sup> See the editorial of the left-leaning weekly political magazine the *New Statesman*, “Margaret Thatcher Still Guilty After All These Years”, published in February 2009, on the 30<sup>th</sup> anniversary of her arrival in Downing Street.

<sup>2</sup> It would not be appropriate to analyse the cities of northern England, Scotland, Wales and Northern Ireland at the same time. Although these areas have relatively similar industrial and urban histories, the consequences and perceptions of Thatcherism were not the same, owing to the internal geopolitical context of the United Kingdom, which is a state composed of four “home nations” with varying degrees of autonomy.

Contrary to what is often claimed by critics of Margaret Thatcher, these socio-economic disparities did not appear in the 1980s. Although Thatcherism accelerated the decline of shipbuilding, steel and mining, and thus the deindustrialisation of the North (Lewis and Townsend 1989), regional inequalities resulted in particular from the industrial specialisation of the North and the development of financial systems, and therefore the concentration of economic power, in London in the 19<sup>th</sup> century, and have been in evidence since the interwar period and the first crises of British industry. Since then, successive Conservative and Labour governments have tried in vain to reduce them, through territorial planning strategies (providing amenities and infrastructure, encouraging business, urban renewal, etc.) and economic measures (tax incentives, local provision policies, etc.).

The North–South divide truly became a political issue in the 1980s, reflecting the perception of Margaret Thatcher’s economic policies. Incomprehension or rejection of Thatcherite reforms and rising unemployment in old industrial regions in crisis worked to the advantage of Labour politicians in the North (Morgan 2002; Bailoni 2010a). Because of the economic and political geography of England, decisions to close factories in the North came from the South – that is to say, from ministries and corporate head offices located in London for the most part. There was therefore a perception that not only was the Conservative government not addressing the problems of the North, but also that it was exacerbating disparities: Thatcherism allowed the South to get richer at the expense of the North (Morgan 2002; Tomaney 2006). The North–South divide was now being interpreted in ideological terms (Bailoni 2010a).

### **Northern cities: a counterweight to Thatcherism**

During the Thatcher years, local government in England was also significantly reorganised. Along with the Greater London Council, the six metropolitan county councils<sup>3</sup> – elected councils covering the major conurbations of northern and central England – were abolished and their powers transferred to city and borough councils or to unelected bodies attached to central-government departments – or, in some cases, privatised.<sup>4</sup> Stricter measures were also introduced to control local-authority budgets (Stoker 1991; Breuillard 2000). In line with Margaret Thatcher’s *laissez-faire* economic approach, the official aim of these reforms was to reduce costs and improve the efficiency of public-service provision through competition between operators (Stoker 1995). But these reforms were also political: Margaret Thatcher wanted to reduce the political power and impact of the metropolitan county councils, as the major conurbations of the North were Labour strongholds where councillors frequently blocked the application of government policy.

Planning measures and policies aimed at assisting areas in difficulty were also reformed. First of all, the resources made available by the government were considerably reduced, as part of a process of state disengagement from urban public services (Prestwich and Taylor 1990). Subsidies to old industries, deemed to be in inexorable decline, were stopped. Next, programmes changed in scale, moving from regional strategies to a more targeted approach focused on small urban areas. Here, the Conservatives encouraged private initiative in their regeneration strategies, by creating urban development corporations (UDCs) and enterprise zones.<sup>5</sup>

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<sup>3</sup> Greater Manchester, Merseyside (around Liverpool), South Yorkshire (around Sheffield), West Yorkshire (around Leeds), Tyne and Wear (around Newcastle) and, further south, the West Midlands (around Birmingham).

<sup>4</sup> Throughout the country – and not just in the metropolitan counties – municipal social housing (“council housing”) was sold off and major networks and utilities were privatised (telecommunications, public transport, water and sewage, waste disposal, gas, electricity).

<sup>5</sup> UDCs were public–private partnerships created primarily to encourage the redevelopment of former industrial areas. Via land ownership and planning powers, they improved brownfield sites and made the land available to developers for real-estate operations. The first UDCs were created by the government in 1981 in the London Docklands and on Merseyside, centred on the docks of Liverpool and nearby towns. Enterprise Zones offered incentives such as tax breaks and relaxed planning rules to firms wishing to set up business in areas affected by industrial decline.

However, while these measures encouraged private investment, they were beyond the control of local authorities, in the process stripping councillors of their skills in terms of urban renewal and housing policy (Breuillard 2000; Bailoni 2009). These reforms thus helped, both directly and indirectly, to reinforce the centralisation of power.

### **“Democratic deficit” and identity-oriented reactions**

Economic and political reforms led to a total disconnect between the Prime Minister, who embodied the rich and conservative South, and old Labour-dominated industrial areas in the North, of which the miners’ strike of 1984–1985 remains the ultimate symbol. The Conservative vote, already in a minority, fell sharply in northern England during the Thatcher years (Morgan 2002; Tomaney 2006). The North–South electoral divide<sup>6</sup> – combined, furthermore, with an urban–rural electoral divide (Bailoni 2010a) – was therefore perpetuated.

In this electoral context, the impression that a form of “democratic deficit” was at play spread across northern England in the 1980s, as well as in Scotland and Wales, also Labour strongholds. Conservative economic policy was viewed as a form of injustice, even contempt, especially when Margaret Thatcher denounced a “dependency culture”. In parallel with the rise of Scottish and Welsh nationalism, a regionalist movement began to develop in northern England. This “regionalism of discontent” (Tomaney 2006) argued that the North must assert its cultural specificities, its attachment to the collectivist values of its miners and manual workers, and its vision of the welfare state. The North–South divide thus also took on an identity-related dimension: the North and the South of England were now apparently two different societies, with specific values and cultural characteristics (Taylor 2001).

### **Have northern cities converted to Thatcherism?**

The regionalist movement would not, however, result in any major decentralisation reforms in the North following Labour’s return to power in 1997, while Scotland, Wales and even Greater London would benefit from devolution.<sup>7</sup> However, this devolution has remained incomplete, precisely because the regions of northern England have not benefited from any decentralisation reforms (Bailoni and Papin 2009).

The need to attract new investors to compensate for the decline of traditional industries in a difficult economic context sharpened competition between different areas of Britain (Phelps and Tewdwr-Jones 2001; Charlton 2003). Against this backdrop, all the major cities of the North turned to territorial marketing from the 1990s onwards. Promotional campaigns were initiated by local authorities and the business community (chambers of commerce, business associations, etc.) and orchestrated by agencies operating at municipal or a conurbation-wide level. In seeking to stand out from the crowd, each city relies on relatively similar arguments: cheaper labour than in the South, pride in work well done, specific skills and expertise, a welcoming population with warm, friendly accents, proximity to natural open spaces, local history and identity, and so forth. (Bailoni 2010b). Similarly, since the Thatcher years, urban renewal measures and programmes – essential for

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<sup>6</sup> In 1983, the Conservatives held 42% of parliamentary constituencies in northern England (here defined as the North-East, North-West, and Yorkshire and the Humber regions). In 1997, following Tony Blair’s victory, only 10% of northern constituencies had a Conservative MP. Even after the 2010 general election, which the Conservatives won (albeit without an overall majority), they held only 27% of seats in the North. The Conservatives have never managed to regain the level of the support of the early 1980s in northern England (or indeed in Scotland and Wales).

<sup>7</sup> Following the landslide victory of Tony Blair’s “New Labour” in 1997, the new government implemented one of its key manifesto pledges, namely devolution – a major decentralisation programme resulting in the creation of the Scottish Parliament (and its executive, the Scottish Government), the National Assembly for Wales (and the Welsh Government), and the Northern Ireland Assembly (and the Northern Ireland Executive), in parallel to the peace process. London also regained a metropolitan government, in the form of the Greater London Authority (composed of the London Assembly and the directly elected Mayor of London).

Northern cities – such as the management of local public services, leave a great deal of room for private initiatives and investments. Local governance of territories and services has been converted to the principles of efficiency and public–private partnerships, which have gradually involved users and citizens too (Bailoni 2009).

These new approaches to urban policy, local governance and economic development show that, despite opposition for political (and, in some cases, more or less identity-related) reasons, the cities of northern England have had to convert to the principles of Thatcherism, which Tony Blair's New Labour never truly challenged.

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