Explaining departures from New-Right ideology in Conservative Party policy-making under Thatcher's leadership, 1975-1990: the role of institutional and electoral considerations

Benjamin Luke Whisker

PhD

University of York

Politics

September 2020

Abstract

Drawing upon a substantial body of archival evidence, this thesis examines the relative significance of ideological, electoral and institutional considerations in shaping Conservative Party policy-making under Margaret Thatcher's leadership. This is achieved by undertaking detailed case studies of three policy areas (economic management, health care and defence). The findings are then analysed to develop general insights. In existing treatments, New-Right ideology is usually regarded as an important influence on Thatcherite policy aims. Yet the most influential interpretations were composed contemporaneously, or in the following decade, before archival evidence began to be released. Subsequent research (often produced by historians) has not yet fully utilised the available sources. In particular, insufficient attention has been given to using archival material for assessing the role of ideological, electoral and institutional factors in policy formation. The contribution of this thesis is reappraising Conservative policy motivations during Thatcher's leadership based on extensive archival research (using documents from archives and collections including The National Archives, Thatcher Papers and Conservative Party Archive), complemented by elite interviews and memoirs. The thesis argues that ideological explanations struggle to account for Conservative policy-making across 1975 to 1990. Thatcher and her senior colleagues held strong beliefs, but the archival evidence reveals that inconsistencies between these beliefs impeded ideologically-driven policy development. Beliefs were typically invoked instrumentally as justifications for policies preferred on electoral or institutional grounds. This thesis finds that institutional considerations (specifically, the norms and interests of domestic bureaucratic actors alongside international economic and diplomatic constraints) exerted the greatest influence over policy. Electoral considerations also constituted a significant force affecting decision-making, especially as proximity to the next general election increased or when the Conservatives were suffering a mid-term fall in popularity.

List of Contents

Abstract	2
List of Contents	3
Acknowledgements	6
Declaration	7
Introduction	8
Chapter 1: Literature Review	12
1.1. Introduction	12
1.2. Ideology	13
1.3. Electoral Politics	23
1.4. Institutions	27
1.5. Conclusion	34
Chapter 2: Theory and Methodology	36
2.1. Introduction	36
2.2. Expectations	37
2.2.1. Ideology	39
2.2.2. Electoral Politics	43
2.2.3. Institutions	47
2.3. Policy Areas	53
2.4. Research Methodology	56
2.4.1. Documentary Research	56
2.4.2. Interviews	62
2.5. Conclusion	65
Chapter 3: Economic Management	67
3.1. Introduction	67
3.2. Operationalisation of New-Right Ideology	68
3.3. Opposition	70
3.3.1. Ideology	70
3.3.2. Electoral Politics	73
3.3.3. Institutions	76
3.4. First Term	79
3.4.1. Ideology	79

3.4.2. Electoral Politics	83
3.4.3. Institutions	85
3.5. Second Term	89
3.5.1. Ideology	89
3.5.2. Electoral Politics	92
3.5.3. Institutions	94
3.6. Third Term	98
3.6.1. Ideology	98
3.6.2. Electoral Politics	101
3.6.3. Institutions	103
3.7. Conclusion	107
Chapter 4: Health Care	110
4.1. Introduction	110
4.2. Operationalisation of New-Right Ideology	112
4.3. Opposition	114
4.3.1. Ideology	114
4.3.2. Electoral Politics	117
4.3.3. Institutions	120
4.4. First Term	122
4.4.1. Ideology	122
4.4.2. Electoral Politics	125
4.4.3. Institutions	127
4.5. Second Term	131
4.5.1. Ideology	131
4.5.2. Electoral Politics	135
4.5.3. Institutions	138
4.6. Third Term	141
4.6.1. Ideology	141
4.6.2. Electoral Politics	145
4.6.3. Institutions	148
4.7. Conclusion	151
Chapter 5: Defence	154
5.1. Introduction	154

5.2. Operationalisation of New-Right Ideology	157
5.3. Opposition	159
5.3.1. Ideology	159
5.3.2. Electoral Politics	162
5.3.3. Institutions	164
5.4. First Term	167
5.4.1. Ideology	167
5.4.2. Electoral Politics	173
5.4.3. Institutions	176
5.5. Second Term	180
5.5.1. Ideology	180
5.5.2. Electoral Politics	183
5.5.3. Institutions	186
5.6. Third Term	190
5.6.1. Ideology	190
5.6.2. Electoral Politics	193
5.6.3. Institutions	196
5.7. Conclusion	199
Chapter 6: Conclusion	202
6.1. Introduction	202
6.2. Ideology	204
6.2.1. Lack of Ideological Coherence	204
6.2.2. Instrumental Role of Ideas	206
6.3. Institutions	210
6.4. Electoral Politics	217
6.5. Research Methodology	220
6.6. Conclusion	224
Abbreviations	226
Bibliography	227
Primary Sources	227
Secondary Sources	252

Acknowledgements

I would like to thank my primary supervisor, Jim Buller, for his indispensable guidance, insight, support and generosity throughout the process of researching and writing this thesis. I would also like to thank my second supervisor, Sandra Leon, for her extremely helpful advice and feedback. I am very grateful to Martin Smith, Liam Clegg and Dan Keith for their interest in my thesis and highly useful comments. I greatly appreciate the assistance and support provided by Liz O'Brien, the Politics Graduate School Coordinator. I am very grateful to staff at The National Archives, the Bodleian Library and the Churchill Archives Centre for their assistance with accessing archival resources, as well as to my interviewees for time that they gave and their permission to attribute quotes. This thesis would not have been possible without funding from the Economic and Social Research Council. Finally, I would like to thank my parents, Priscilla and Andrew, for their support.

Declaration

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

Introduction

This thesis studies Conservative Party policy motivations under the leadership of Margaret Thatcher by examining archival evidence relating to the policy areas of economic management, health care and defence. In particular, the thesis evaluates the importance of ideological, electoral and institutional factors. The argument is that interpretations of Thatcherism centred on the role of ideology, particularly Hall (1983; 1988) and Gamble (1994), cannot convincingly explain Conservative policy decisions. Although ideational beliefs sometimes led senior Conservative policy-makers (including Thatcher and her advisers) to entertain policy proposals, policies were rarely adopted primarily due to alignment with ideational beliefs and radical policy options were consistently rejected on electoral grounds. Furthermore, the wide range of ideas espoused by elements of the Conservative Party's New Right lacked a high degree of internal consistency taken as a whole and often could not be reconciled when applied to questions of public policy. This was particularly problematic within the defence portfolio where liberal and conservative traditions generally pointed towards opposite decisions on key issues (related to expenditure and operations), but significant tensions also emerged between and within each of the two ideational sub-categories of liberalism and conservatism in all policy areas examined. Faced with a wide array of ideational rationalisations for potential policy choices, Conservative politicians typically selected policies based on institutional and electoral considerations. In particular, this thesis finds that institutional factors (specifically the interests and cultural norms of bureaucratic, diplomatic and economic institutions at the domestic and international levels) are most useful in understanding the formation of Conservative policy.

A key contribution of this thesis is utilising large-scale archival research to provide a reassessment of the full breadth of Thatcher's leadership (1975 to 1990) from a political-science perspective. A vast literature exists on Thatcherism and the Thatcher governments, much of which is reviewed (where relevant) in Chapter 1, but previous work was produced predominantly without the benefit of extensive archival evidence or, more recently, by historians without focusing on macro-level explanations of policy-making. This thesis tests ideological, electoral and institutional explanations debated in earlier scholarship during the 1980s and 1990s against the archival evidence that has become available. The archives and collections used are The National Archives (including files of the Prime Minister's Office and the departments responsible for each policy area), Bank of England Archive,

Conservative Party Archive, Thatcher Papers and Howe Papers. In addition to physically visiting the reading rooms, many archival documents from the Prime Minister's Office and the Thatcher Papers were consulted digitally using the Margaret Thatcher Foundation website. This body of archival evidence is supplemented and contextualised using elite interviews and memoirs.

The thesis consists of six chapters: a literature review, a theory and methodology chapter, three empirical chapters (each covering one of the policy areas researched) and a concluding chapter. Each of the empirical chapters contains a section operationalising the ideological beliefs of the New Right as they pertain to that policy area, followed by four chronological sections presenting the empirical analysis and covering the periods of Thatcher's leadership (the opposition period from February 1975 to May 1979, the first term in government from May 1979 to June 1983, the second term from June 1983 to June 1987, and the third term from June 1987 to November 1990). Each chronological section is divided into three sub-sections covering the independent variables of ideology, electoral politics and institutions. This structure ensures a high depth of engagement with each thematic issue and on each sub-period across all three policy areas. The conclusion draws together the empirical findings and evaluates them in relation to both the previous literature and the theoretical framework, as well as assessing the success of the research methodology.

Chapter 1 categorises literature on Conservative policy-making under Thatcher into ideological, electoral and institutional explanations. It argues that the majority of the general literature accepts ideology as the prime motivation behind the Conservatives' overall policy direction. Explanations which attribute policy decisions primarily to electoral or institutional factors are lacking by comparison. In relation to all three explanations, the chapter identifies issues requiring additional research, including the coherence of ideological influences, how policy motivations evolved over time and in relation to the electoral cycle, and the extent to which politicians as agents were able to counter or modify institutional norms.

Chapter 2 presents the theoretical and methodological framework for evaluating the role of ideological, electoral and institutional considerations, including by specifying propositions (to be analysed in the empirical chapters) relating to the conditions under which each independent variable will exert greater influence. These propositions are related to debates in comparative research regarding the causal role of ideology, electoral politics and institutions. Chapter 2 argues that, in the selected policy areas (economic

management, health care and defence), Conservative policy-making raises pertinent questions about ideological, electoral and institutional factors, and that studying this combination of portfolios is well-suited to evaluating Thatcher's leadership. This chapter outlines the thesis's methodology (comprising archival, memoir and interview evidence) and, in particular, contends that archival research is appropriate as the research's primary research method.

Chapter 3 argues that the pattern of monetary and fiscal policy decisions was driven by the institutional norms of the Treasury and responsiveness to international financial markets. In opposition, electoral factors, alongside ideological and institutional concerns to a lesser degree, underpinned support for monetary control. In the early government period, conflicting ideological and institutional demands both influenced policy. After a transitional period in late 1980 and early 1981, Conservative economic management adhered to bureaucratic and international constraints, with such deviations as occurred (such as relating to personal taxation from 1986 to 1988) determined by electoral motivations and ministerial political positioning more than ideology.

Chapter 4 argues that Conservative efforts to reform health-service management, without altering the model of general public provision, stemmed from institutional bias towards controlling expenditure and central government's desire to delegate responsibility for performance. Radical proposals to introduce greater private finance featured at points throughout 1975 to 1990, reflecting Thatcher's ideational preferences and neo-liberal aspirations, but were never adopted for electoral reasons. When political and financial pressures prompted Thatcher to pursue the introduction of the internal market in the later 1980s (which originally did not form part of plans for the third term), reform ideas were selected for compatibility with the Treasury's institutional aims.

Chapter 5 argues that, despite ideological arguments for increasing the resources of the armed forces, defence was gradually deprioritised owing to the doubts of both politicians and officials about the political and policy effectiveness of expenditure on defence relative to other areas. As opposed to resolving conflicts between neo-liberal and neo-conservative aspects of their rhetoric, the Conservatives followed trajectories set by domestic and international institutions. Specific security issues (such as Trident, arms reductions and military operations) were recognised as more politically salient, but the Conservatives focused on satisfying the demands of the domestic political environment and external diplomatic constraints, not implementing an ideological agenda.

Chapter 6 argues that there was no consistent ideological framework guiding Conservative policy and that ideas were mainly invoked instrumentally for electoral and institutional reasons. The long-term direction of Conservative policy was most closely aligned with institutional considerations, with exceptions to this determined by political factors, especially the electoral cycle and mid-term falls in government popularity. Chapter 6 also argues that archival research and the other methods used have proved useful in identifying reliable evidence which supports insights about Conservative policy. The conclusion contends that the findings cast doubt on existing portrayals of Thatcher's leadership and, in particular, the view that New-Right ideology played a major role in driving policy decision-making. Whereas prior interpretations completed without archival research emphasise the influence of New-Right ideology, this thesis's extensive analysis of archival evidence demonstrates that institutional and electoral factors were of greater significance in policy formation.

Chapter 1: Literature Review

1.1. Introduction

This chapter reviews the large body of existing political-science and historical research regarding the policy-making of the Conservative Party under Thatcher's leadership. This literature is organised into three sections, each assessing work which primarily relates to the explanatory power of one of three independent variables: ideology, electoral politics and institutions. Previously, Marsh (1995, p. 597) and Kerr and Marsh (1999, pp. 172-175) have divided explanations of Thatcherism as a phenomenon into political, ideological and economic accounts, as well as emphasising the preponderance of political perspectives and classifying seminal accounts such as Kavanagh (1990) and Gamble (1994) as political interpretations. This chapter reappraises the literature by focusing on the contribution that each account makes to our understanding of Conservative policy motivations. This chapter argues that the substantive claims made by most of the existing literature, including Kavanagh (1990) and Gamble (1994) insofar as they bear on policy-making, point to a leading role for (New-Right) ideology in Conservative policy decisions. A smaller amount of more specialised literature awards primacy in explaining Conservative policy motivations to electoral or institutional factors. In drawing the boundaries of institutional explanations, this chapter places accounts focused on the international economy as a constraint on domestic actors (such as Clarke, 1988; Jessop et al., 1988) alongside accounts of domestic institutional factors (in particular, Marsh and Rhodes, 1992a; Pierson, 1995), on the basis that both international and domestic structures created institutional rules which exerted a causal effect on Conservative policy decisions. This chapter accordingly approaches explanations of Thatcherism from a different perspective to previous surveys.

The purpose of this chapter is to identify the main arguments and problems raised by the literature. In the empirical chapters, ideological, electoral and institutional explanations reviewed in this chapter will be tested against findings based primarily on archival evidence, although also drawing on memoir and interview evidence. Utilising a body of archival evidence wholly unavailable when most core political-science accounts were produced (including Hall, 1983; Bulpitt, 1986; Jessop et al., 1988; Kavanagh, 1990; Gamble 1994; Pierson, 1995; Kerr, 2001), and analysing many specific archival documents unused in any previous research, this thesis presents a reassessment of ideological, electoral and institutional explanations throughout the period of Thatcher's leadership.

The first section argues that ideological explanations are the dominant lens through which most existing political-science accounts understand Thatcherite policy motivations. The section highlights issues warranting further investigation, in particular ideological coherence (including the balance between different aspects of Thatcherite ideology), the role of specific beliefs in policy-making, the seeming failure of Conservatives to implement the proposals of neo-liberal think tanks and the chronology of ideological policy change. The second section argues that there are relatively few explanations which directly identify electoral politics as the main factor explaining policy decisions. This section suggests that further research is required on the extent to which policies offering material benefits to specific groups were consciously adopted mainly to gain electoral support, as well as whether changes in Conservative policy were driven primarily by the desire to maximise general perceptions of competent state management. The third section argues that explanations for policy-making related to domestic bureaucracies, policy networks and international economic constraints should be considered as institutional factors. The section suggests that we must explore how and why Conservative policy-makers responded to prevailing institutional norms in different ways and whether the Open Marxist claim that the Thatcher governments acted on behalf of capitalist interests as a whole is consistent with policy decisions adverse to manufacturers.

1.2. Ideology

In the majority of the literature on Thatcherism and the Thatcher governments, New-Right ideology is viewed as a major influence shaping the policy and political programme of the Conservatives. This is reflected in interpretations exploring the content of ideological beliefs, either in relation to Thatcherites specifically or in the context of the wider Anglo-American New Right (Gamble, 1979; Gamble, 1983; Hall, 1983; Jacques, 1983; Hall, 1988; Gamble, 1994; Cockett, 1995; Gamble, 2012; Stedman Jones, 2012; Sutcliffe-Braithwaite, 2012). However, the central role of New-Right ideology in shaping Thatcher's leadership is also accepted in wider accounts addressing the impact of Thatcherism on British politics and policy-making (Holmes, 1989; Kavanagh, 1990; Kerr and Marsh, 1999; Kerr, 2001; Hay and Farrall, 2014; Smith, 2015). Using archival evidence to study specific policy areas across the period of Thatcher's leadership, this thesis seeks to revisit and test the relationship between the ideology of the New Right and Conservative policy-making from 1975 to 1990.

A key question facing ideological interpretations is whether the component beliefs together constituting the ideology of Thatcherism can be classified as a coherent doctrine. While emphasising the ideological dimension of Thatcherism, Hall (1983; 1988) and Jacques (1983) also acknowledge and highlight the varied elements within the ideology of Thatcherism. Hall (1983; 1988) provides an account of Thatcherism as a manifestation of authoritarian populism. In a classic essay accounting for the electoral failure of social democracy, Hall (1983) presents Thatcherite ideology as a mixture of free-market rhetoric with a right-wing approach to social areas such as race and policing. Similarly, Jacques (1983, pp. 52-54) defines Thatcherism as both an anti-collectivist economic project (representing a return to Conservatism before the Second World War) and a right-wing reactionary 'backlash' which arose in opposition to modern social forces (the labour movement, feminism and social permissiveness). The idea of 'backlash' against modern society suggests that the boundaries of the Thatcherite right are loosely drawn because it is partly a negative response to socioeconomic developments. There are tensions within Thatcherite ideology according to the accounts offered by Hall (1983) and Jacques (1983): simultaneously, Thatcherism is understood as both authoritarian and anti-collectivist as well as both populist and traditionalist. To what extent can these strands of right-wing thought be treated as related components of a coherent and distinctive Thatcherite ideology? Shock (2020, pp. 256-259) observes that, in defining Thatcherism in Gramscian terms as a hegemonic project, Hall (and other contributors to Marxism Today on the subject of Thatcherism) necessarily regarded Thatcherism as more coherent than can be justified. The argument that Thatcherism is incoherent is a criticism which Hall previously faced and addressed in the 1980s. Jessop et al. (1988, pp. 71-74) claim that Hall's 'authoritarian populism' thesis is made unclear by the divergent nature of authoritarianism and populism, charging Hall with stretching these concepts to marry together multiple critiques of Thatcherism and presenting Thatcherism as a 'monolithic monstrosity'. In response, Hall (1988, p. 157) notes that he has always acknowledged the contradictions between the Thatcherite values of authority and individualism, expressly arguing for a looser conception of ideology and that incoherence is a feature of Thatcherism in his account. Regardless of the definition of ideology preferred, if Thatcherism lacked a high level of coherence, as is accepted by Hall (1988), this may have affected (and possibly limited) the capacity of Thatcherite ideology to determine specific policy decisions in a consistent manner. Establishing whether or not Thatcherite incoherence impeded the effect of Thatcherite ideology on policy-making requires empirical investigation.

An essential part of the argument put forward by Gamble (1994) is that Thatcherism was an ideological construct combining the values of 'The Free Economy and the Strong State'. His account offers an ideological perspective which develops a similar (though not identical) reading of Thatcherite ideology as a combination of anti-collectivist and conservative elements as Hall (1983; 1988). Accepting that a pragmatic approach to obtaining and exercising power has generally been a characteristic of the Conservative Party, Gamble (1994) aims to integrate politics with his analysis of Conservative ideology under Thatcher. Gamble's interpretation of Thatcherism has accordingly been labelled as a 'politicist' explanation which gives less weight to the role of ideology (Marsh, 1995, p. 611). Although Gamble (1994) is sensitive to the political context in which Thatcherism was formed, reading his work as a mainly political account is not a fair reflection of its central argument relating to the balance between different elements of Conservative ideology. Defending Thatcherism from criticism that it favours ideology over the task of winning power, Gamble (1994, p. 152) argues that Thatcherism linked ideology and politics by adopting a statecraft strategy which aggressively advanced rather than opportunistically recoiled from ideological aims. Yet this assumes that ultimately the Conservatives aimed to achieve a desired ideological end state, as opposed to Conservatives alternating between ideational proposals in order to satisfy electoral purposes. This assumption is embedded within Gamble's analysis of specific policies, from framing the response to public disorder as part of an agenda to bolster state capacity, to suggesting that efforts to control public expenditure reflected a desire to reduce the size of the public sector relative to the private sector (Gamble, 1994, p. 116, p. 123). Policies are attributed to ideological objectives. The existence of a guiding ideology is accordingly integral to Gamble's argument. Gamble (1994, pp. 172-173) conceives Thatcherite politics as the Conservatives' effort to reshape society so that a market economy was combined with the restoration of state authority, explicitly linking the doctrinal beliefs of the Conservatives and Thatcher's political project. Whereas the party gaining and retaining power for its own sake is central to the statecraft interpretation put forward by Bulpitt (1994, p. 21), Gamble's conception of statecraft is predicated on the assumption that partisan politics has been secondary to upholding state authority in the history of the Conservative Party (Gamble, 1994, p. 170). In this sense, Gamble's emphasis is on ideological rather than electoral considerations.

In order to assess the relationship between ideology and policy, this thesis must consider the extent to which the ideological beliefs identified by Gamble (1994) can explain policy decisions under Thatcher's leadership. In doing so, we are not merely assessing the

influence of individual beliefs in isolation, but the role of Thatcherite ideology as a whole. Gamble (1994, p. 171) argues that Thatcher and her allies saw preserving national defence, enforcing law and order, and containing the threat posed by the labour movement as critical to repairing the damage sustained to the authority and image of the British state during the post-war decades. Conversely, perceived government incursions on markets in spheres such as industrial management, labour relations and incomes policy were seen as undermining the authority of the state (Gamble, 1994, p. 169). Thus, Gamble (1994) presents the liberal and conservative elements of Conservative ideology under Thatcher as linked intellectually in their visions of the state and the economy. Gamble's portrayal linking these halves of New-Right thinking is related to his previous work presenting markets and a stronger role for the state as elements of a Thatcherite framework modelled on the German concept of a social market economy (Gamble, 1979; Gamble, 1983, p. 127). German ordoliberals proposed using the state to prevent social interests and popular democracy from undermining the rules and functioning of market capitalism (Ptak, 2009; Bonefeld, 2012). Gamble (1994) does not explore the relationship between German ordoliberalism and Thatcherism further. Moreover, Gamble (2003, p. 160) suggests that Thatcherism as it developed favoured American over European models of capitalism. Whichever intellectual parallels are most applicable, the key point is that Gamble (1994, p. 35) presents the liberal and conservative strands of Thatcherite ideology as joined together as part of 'the doctrine of the free economy and the strong state'. The separate elements do not merely co-exist, but are related to some degree, albeit sometimes pointing in contrasting directions. Gamble (1994) offers a powerful case for the causal role of ideology in shaping Thatcher's leadership and her governments. This thesis will empirically assess whether Conservative policy-making was determined by the principle of strengthening state authority in aid of free-market capitalism.

Making judgements about the impact of ideology on policy-making under Thatcher requires clarity about the content of ideological influences. Recent accounts give greater prominence to neo-liberalism or market liberalism and do not have an explicit focus on authoritarian populism or the authority of the state. In explaining the influence of neo-liberalism on the Reagan and Thatcher administrations, Stedman Jones (2012, p. 262) cites Conservative support for supply-side reforms and the introduction of market mechanisms within public services as evidence of neo-liberal thinking under Thatcher. Stedman Jones (2012) is right to highlight the appeal of these ideas to Conservative politicians in the 1980s, but leaves unaddressed the question of whether the marketisation of public services

under Thatcher's leadership went as far as neo-liberals hoped. Similarly, Ortolano (2019) frames Thatcher's premiership as a determinative period in a transition from social democracy to market liberalism. In particular, Ortolano (2019, pp. 261-262) defines Thatcherism as limiting the range of acceptable policy options based on 'market-oriented logic'. These interpretations reflect the propensity noted by Hay and Farrall (2014, p. 9) for newer accounts to overlook to the conservative dimension of Thatcherism without any attempt to expressly dispute its significance.

The need to stretch the concept of neo-liberalism in the context of Thatcherite policy-making suggests that there may be limited analytical purchase in conceiving of Thatcherism as economic liberalism. This is particularly so when analysing policy areas such as home and foreign affairs where economic values are less relevant. Noting the decline in the term 'Thatcherism', Farrall and Jennings (2014) present uncompromising Conservative rhetoric on criminal justice – associated with social authoritarianism rather than economic liberalism – as part of a neo-liberal paradigm. The concept of neo-liberalism is stretched to include non-economic ideas. By comparison, Gamble (2012) distinguishes between neoliberal economics and neo-conservative elements within the Thatcherite project, characterising approaches to defence and public order as neo-conservative. Like Stedman Jones (2012), Gamble (2012) situates Thatcherite ideological origins within the Anglo-American New Right; the approach of Gamble (2012) differs as it incorporates neoconservatism as a corollary to neo-liberalism, mirroring Gamble (1994). In assessing the connection between ideology and policy, this thesis will take the view of ideology in the interpretation of Gamble (1994) at the starting point, thereby avoiding the possible downsides of equating Thatcherism with only economic liberalism. Nonetheless, in undertaking the empirical research, this thesis will consider any evidence that Gamble's understanding of Thatcherite ideology should be modified (for instance, by adopting a narrower focus on economic liberalism or conservatism).

The difficulty in identifying a precise (liberal or conservative) ideological bias suggests that we should consider instrumental as well as ideological reasons for policy choices. Among historians engaged with research on the British New Right, Sutcliffe-Braithwaite (2012) most closely addresses political-science debates over the coherence of Thatcherite thought. While noting the diversity of neo-liberal opinion in the decades preceding the Thatcher governments, Sutcliffe-Braithwaite (2012, p. 512) contends that remedying national moral decay was the defining mission of Thatcherism and that Thatcherites selected particular neo-liberal ideas consistently according to this ideological

bias. On this basis, Sutcliffe-Braithwaite (2012, p. 520) claims that Thatcherism (as distinct from neo-liberalism as a whole) was a coherent ideology. Sutcliffe-Braithwaite (2012) reaches the same conclusion as Hall (1983; 1988) that Thatcherism was ideological, but departs in expressly arguing that Thatcherite ideology meets the criterion of coherence. Sutcliffe-Braithwaite (2012) can classify Thatcherite ideology as coherent as she develops a narrower account of Thatcherite ideology focused on conservative morality separate from deregulated markets. Sutcliffe-Braithwaite's focus on moralistic conservatism presents an exception to the general trend of recent accounts emphasising economic liberalism noted by Hay and Farrall (2014, p. 9). In her empirical analysis, Sutcliffe-Braithwaite (2012) succeeds in illustrating the relevance of moralistic conservatism to the aspects of welfare policy she discusses. Yet a problem facing Sutcliffe-Braithwaite's wider argument is that non-moralistic aspects of Thatcherite thinking appear to have had equal or greater overall effect. For instance, the account of pensions policy by Davies, Freeman and Pemberton (2018) reveals the triumph of consumerism, not conservative morality, on an occasion when Thatcherites were forced to select between contrasting neo-liberal tenets. Such cases may reflect either that the Conservatives' ideological bias is not as Sutcliffe-Braithwaite (2012) proposes or that policy-makers discriminated between right-wing ideas on non-ideological grounds such as electoral self-interest.

This thesis will seek evidence as to whether the Conservatives adopted policies on their own merits or for instrumental purposes. Jacobsen (1996, p. 288) argues that ideas (and particularly economic ideas) are selected and contorted to fulfil the interests of the actors who embrace them. If so, there is danger in ascribing ideological motivations to a policy based on rhetoric. Graham (1997, pp. 124-126) contends that economic underperformance under Thatcher can be explained by Conservative acceptance of unrealistic economic ideas based on the classical model of perfect competition and Hayek's approach to market spontaneity. Graham (1997, p. 124) dismisses alternative explanations stressing economic forces outside ministerial control or ministerial ineptitude, but fails to consider whether Conservative acceptance of unrealistic ideas was chiefly driven by a genuine desire to attain implementation of those policies as part of a wider vision. Based on archival evidence of policy discussions, this thesis will consider electoral and institutional as well as ideological motivations for policy decisions. Whereas Graham (1997) suggests that ideology prevented ministers from foreseeing the consequences of their policies, Evans (1997) argues that monetarist theory led Thatcher and Geoffrey Howe to deliberately increase unemployment in the early 1980s as a means of controlling inflation. On its own, Evans's

argument pinpoints a role for economic ideology in providing a road map to reducing inflation, but has limitations in explaining why the Conservatives decided that rises in unemployment could be tolerated to reduce inflation. Drawing on the statecraft approach proposed by Bulpitt (1986), Tomlinson (2012, p. 77) argues that the Conservatives invoked the danger of inflation in the late 1970s and early 1980s in order to restore dominance in political debate and improve perceptions of Conservative governing competence. In the context of policy-making, a focus on ideology in isolation implies that politicians select the policies to which they are most philosophically inclined. We must consider ideological explanations for policy choices, but also electoral and institutional factors.

In explaining the appeal of New-Right ideology, the existing literature identifies a range of functions performed by think tanks promoting free-market economics. Surveying the role of think tanks on the New Right in Britain, Cockett (1995, p. 283) credits the Institute of Economic Affairs (IEA) with developing a broad neo-liberal intellectual framework, the Centre for Policy Studies (CPS) with persuading Conservative parliamentarians to embrace neo-liberal principles and the Adam Smith Institute with developing neo-liberal policy solutions. Desai (1994) stresses the role of the Mont Pelerin Society, IEA and the CPS not only in providing a policy programme, but in promoting this hegemonic vision within wider political and social discourse. In assessing the significance of ideological considerations, this thesis should be alert to the direct role of think tanks within the policy-making process itself and the indirect influence of think tanks on policy through shaping the wider political and institutional environment.

However, the failure of Conservative politicians to pursue the objectives of neoliberal think tanks, especially in the areas of public service reform and welfare policy, raises questions about both the influence of think tanks themselves and the general significance of ideological considerations. In relation to welfare, education and health policies, existing research demonstrates that Conservative ministers failed to pursue the proposals of neoliberal think tanks in major policy areas such as education, health and the welfare state (including proposals to which think tanks attached great importance), prompting significant dissatisfaction among neo-liberal thinkers (Desai, 1994, p. 35; Cockett, 1995, p. 309; Jackson, 2012, p. 60). Desai (1994, p. 35) argues that Conservative rejection of think-tank policies (including school vouchers and a negative income tax) stemmed from electoral concerns and notes that this created frustration among think tanks. Jackson (2012, p. 60) suggests that neo-liberal intellectuals doubted that their proposals could ever be endorsed by voters and sustainably implemented by politicians within the majoritarian model of

democracy to which the Conservatives were committed. If think tanks were correct in supposing that political constraints prevented Thatcher following radical instincts, then this suggests that ideological considerations alone are limited as a guide to policy-making. At present, a paradox exists, given the Conservatives' apparent failure to even attempt to achieve some of the core aims of neo-liberal think tanks.

Apart from literature focused on ideology, ideas and intellectuals, the role of ideology (and particularly its influence on policy outcomes) is also prominent in literatures concerned with the chronology of British politics and Thatcher's style of political leadership. Supporters of the Thatcher governments and more detached analysts alike emphasise Thatcher's first election victory in 1979 as a turning point heralding the end to a post-war policy settlement and the beginning of a new Thatcherite settlement. In assessing the claims of these literatures, we should bear in mind that the longevity, symbolism and electoral success of the Thatcher governments may risk leading students of Thatcherism to overlook underlying continuities in policy and politics. Kavanagh (1990) presents Thatcher's rise to power in 1979 as a turning point away from a political and policy consensus forged in the Second World War and its aftermath. While noting that the welfare state and National Health Service (NHS) were shielded from the IEA and the Adam Smith Institute's reform proposals due to electoral concerns, Kavanagh (1990, p. 241) concludes that the Thatcher governments fulfilled an ambitious reform agenda and that their achievements were substantial compared to most twentieth-century governments. This analysis emphasises the significance of the policy objectives which were achieved over the ideological endeavours that could not be attempted due to political constraints. Unlike Kavanagh (1990), Holmes (1989) adopts an explicitly right-wing perspective, but shares Kavanagh's core argument that Thatcher's premiership involved major political and policy changes. For instance, the reduction in trade-union power signified by the 1985 Miners' Strike is cast as a major ideological and political victory for Thatcherism (Holmes, 1989, p. 54-56). While such events undoubtedly constituted symbolic victories for Thatcher's political project, this does not reveal much about the underlying balance of ideological and political motivations. Even if Kavanagh (1990) and Holmes (1989) are right in judging that the Thatcher governments left a substantial legacy, this does not mean that these achievements were ideologically motivated. A conclusion regarding the significance of ideology requires an analysis of the policy-making process.

Other accounts are less convinced of the Thatcher governments' transformative impact. To the extent that it is disputed that the Conservatives had a major effect on the

economy and wider society, the question for this thesis is determining whether any failure to attain ideological objectives stemmed from a lack of ideological motivation. Riddell (1989, pp. 206-207) argues that the Thatcher governments failed to reverse Britain's economic decline and that the expansion of home ownership in the 1980s was largely attributable to the deaths of first-time home owners in the aftermath of the Second World War. Similarly, Kemp (2014, p. 168) notes that, with the notable exception of Right to Buy, government initiatives to increase home ownership failed and are little remembered. In relation to the labour market, Riddell (1989, p. 68) argues that a strong tendency towards inflationary wage increases remained under the Thatcher governments, leaving unchanged a structural problem which placed post-war Britain at a competitive disadvantage. Riddell's account suggests that little changed. On the other hand, Brittan (1989) accepts that the late 1970s was a turning point in British economic policy, but points to previous experimentation with monetarism under the Callaghan government and argues that the Thatcher governments supported a policy direction which would have been inevitable in any case. The Callaghan government voluntarily announced an M3 monetary forecast in July 1976 and subsequently committed to a Domestic Credit Expansion target as part of the conditions for the December 1976 International Monetary Fund loan (Ludlam, 1992, pp. 721-722; Needham, 2014a, p. 107). By comparison, the 1981 Budget in the first two years of the first Thatcher government represented a significant U-turn and effectively abandoned monetary targeting as the focus of policy (Needham, 2014b). This research points to significant continuities in housing, labour relations and monetary policy (all focuses of Thatcherite policy-making). In the same way that radical change is not evidence of underlying ideological motivations, the existence of policy continuity does not demonstrate that the Conservatives lacked significant ideological motivation. Nevertheless, within those policy areas where the decisions of Conservative politicians reflected continuity more than change, we should consider the role of institutional and electoral constraints as well as New-Right ideology as explanations for decisions.

A potential weakness of existing accounts is an emphasis on Thatcher's personal leadership without reflecting the influence of other senior Conservatives. Kavanagh (1990, pp. 272-275) points to Thatcher's personal qualities as a 'mobilizer' who drove forward change in the face of impassioned opposition and imposed her will on the Cabinet. Likewise, Holmes (1989, p. 153) credits Thatcher's dominance within her administration is credited with ensuring that government remain committed to a radical course in spite of intense opposition. Yet there is reason to doubt if Thatcher's personal role was as

significant as portrayed in these accounts, especially as regards the key area of economic policy. In a study of Conservative economic policy-making up to 1979, Williamson (2015, pp. 228-231) argues that Thatcher's input was minimal. Later, in the course of 1990, despite her years-long opposition to membership of the Exchange Rate Mechanism, Thatcher was compelled through political and institutional pressure to allow John Major as Chancellor to signal impending ERM membership and ultimately agreed to entry in October 1990 (Smith, 1992, pp. 166-171; Thompson, 1996, pp. 161-163, pp. 172-176). At either end of Thatcher's leadership, the existing empirical findings do not fit easily with the propositions that Thatcher's personal role was uniquely important or that she succeeded in controlling her senior colleagues. These examples do not mean that Thatcher's contribution was generally unimportant, but they do establish a need to look beyond Thatcher's own views in understanding Conservative policy motivations. Bulpitt (1995, p. 518) holds that a party leader's political allies and advisers form part of a single unit dubbed 'the Court' which governs the country according to its self-interest. Treating 'the Court' as a unitary actor also presents difficulties, given differences between Thatcher and Nigel Lawson by the later 1980s. This thesis will extend analysis beyond Thatcher to also discuss the motivations of senior colleagues and advisers, evaluating disagreements as well as cooperation at the top of the Conservative Party.

Evolutionary accounts of the Thatcher governments concentrate on advances in policy content without accounting for policy motivations. In order to explain differing conclusions about the character of the Thatcher governments, some scholars have sought to divide the Thatcher premiership into chronological periods distinguished by different degrees of ideological coherence based on the radicalism of the policies pursued. Rather than assuming that the pursuit of more radical policies in a particular phase necessitated a greater role for ideology, there is a need to consider whether the significance of ideological motivations followed the same chronology. It has been argued that the Thatcher governments became gradually more radical with time (Gamble, 1994, p. 130; Kerr and Marsh, 1999, p. 184; Jessop, 2015, p. 18-21). One explanation is that Thatcher and the Conservatives entered office with broad ideological principles but without a developed agenda and became more radical by the later 1980s due to strategic learning (Dolowitz et al., 1996, pp. 467-469; Kerr and Marsh, 1999, pp. 185-186). Developing this argument, Kerr (2001, p. 175) claims that 1987 was a turning point when Conservative policy-makers (disappointed in their own government's lack of achievement to date) formed a more coherent strategy, leading to policies such as cutting the higher rate of income tax, the Poll

Tax and NHS reform. By contrast, Moon (1994, pp. 47-48) suggests that Thatcher began with the intention of ultimately adopting more radical policies and that the Conservative policy agenda by her third term represented the culmination of a conscious strategy on Thatcher's own part to gradually build towards a more ideological policy programme. Whether emphasis is put on learning in government or on eventual realisation of Thatcher's original plans, the consistent view is that policy-making in Thatcher's third term was distinctively radical. If a judgement is made solely based on the policies introduced, third-term reforms such as the NHS internal market might be deemed more substantive than before. However, we should not ascribe greater coherence to Conservative policymaking by Thatcher's third term based solely on policy content. If the Conservatives were driven by electoral or institutional interests in making policy, as opposed to ideological considerations, more or less radical policy outcomes may have resulted at different points in time depending on the electoral or institutional context. An approach which infers motivations based on policy content risks privileging ideology by assuming that the Conservatives selected policies due to the policies' inherent desirability. Instead, we must consider if motivations behind Conservative policy-making differed between distinct subperiods.

1.3. Electoral Politics

Interpretations which principally view Thatcherism as an exercise in electoral politics, rather than as an ideological project, are comparatively scarce. The terminology of 'Thatcherism' itself implies an ideology more than an electoral strategy. Even so, political-science scholarship has explored public opinion and the causes of Conservative electoral success during the Thatcher governments (Sanders et al., 1987; Crewe, 1988; Clarke and Whiteley, 1990). From a policy-making perspective, the key question for this thesis is not directly why the Conservatives won three consecutive general elections under Thatcher. Instead, the key issue is if the Conservatives consciously made and implemented policy in order to obtain electoral victory, with the strength of the connection to the actual determinants of electoral support depending on politicians' understanding of the relationship between their policy decisions and electoral performance. The statecraft approach proposed by Bulpitt (1986) provides the most explicit framework linking Conservative electoral strategy and core changes in policy direction under Thatcher, but

discusses only the period from 1975 to 1983. This thesis provides a broader appraisal incorporating electoral factors across the Thatcher period.

Studies of public opinion reveal the absence of any widespread ideological shift among the general public as well as growing polarisation within the electorate during Thatcher's premiership. To the extent that the Conservatives policies changed ideological attitudes, this appears to have been limited to the direct beneficiaries. In outlining his conception of statecraft, Gamble (1994, pp. 152-153) credits Thatcher with building a new electoral strategy around a base of support for a dogmatic policy position, in a way which One-Nation Conservatives had consistently portrayed as unviable. Yet if Conservative policy-making was guided by the desire to persuade voters to embrace ideological Thatcherism, it does not appear to have been successful overall, given the findings of Crewe (1988; 1989; 1996). Public attitudes towards social and economic issues hardly evolved towards a Thatcherite position, with sympathy for left-wing policies such as public ownership remaining high in opinion polling (Crewe, 1988, pp. 41-44). Crewe (1989) deems Thatcherism to be a failure insofar as it aimed to transform British public opinion, noting growing public support for trade unions, the welfare state and nationalisation. Crewe (1996, p. 403) highlights that Thatcher's personal approval rating, at its height following the Falklands War, was below the peak popularity of Callaghan, Wilson, Macmillan, Eden and Attlee. The failure of Thatcherites to convince voters and Thatcher's relative lack of popularity is attributable to the polarisation of British politics, which limited Conservative appeal. Bale (2012, p. 246) notes that Conservative support was highly concentrated in southern England by the end of the Thatcher and Major governments, whereas the Conservatives had been competitive throughout Great Britain in 1979. Between 1979 and 1992, there were swings of 2.8% and 2.5% towards the Conservatives in the south-east of England and East Anglia, whereas there were swings of 4.1% and 3.6% in favour of Labour in the north-west and north-east of England (Crewe, 1996, p. 414). The lack of general ideological change and the trend of geographical polarisation each raise the question of how popular the Conservatives expected their policies to be overall. If the Conservatives were motivated by electoral politics and understood the political context that they operated in, did they select policies to build support through policy agreement only among particular segments of the electorate? Alternatively, did the Conservatives aim to cultivate support through means other than policy agreement?

A relevant issue is whether the Conservatives offered material benefits to specific voter groups in the hope of receiving their support. Increased polarisation does not

necessarily mean that Conservative electoral strategy was limited to appeasing groups with which they already performed well. Francis (2017) shows that Thatcher's Conservatives worried about unpopularity among black and Asian voters, but the attempted remedies discussed in Francis's article related mainly to presentation, not policy. To what extent did policy changes contribute to expanding support from specific groups and to what extent did the Conservatives pursue changes to gain support? Garrett (1992, p. 369) hypothesises that council house sales, the expansion of share ownership and trade-union reform in the 1980s led to increased support for the Conservatives and free-market economics among voters who were financially comfortable but of lower socioeconomic status. Garrett (1992, p. 375) finds that the minority of voters directly affected by Conservative reforms did become more economically liberal as well as being more likely to vote Conservative. This change in attitudes differs from the findings about the whole electorate reached by Crewe (1988; 1989). The contrast suggests that changes in public views were driven by the material circumstances of voters. For this thesis, the question is to what extent Conservative politicians selected policies because they anticipated additional support from subsets of voters, particularly in the area of economic management.

Assessments of Conservative electoral performance against the context of the domestic economy have identified a close relationship between Conservative support and perceptions of economic performance. This should lead us to consider the possibility that electoral considerations primarily led to Conservative policy-makers cultivating a general impression of government economic competence (as opposed to persuading the electorate to embrace Thatcherite ideology or enticing subsets of voters through material benefits). Sanders et al. (1987, p. 313) find that the most significant factor causing an increase in government popularity in the spring of 1982 (a precursor to Thatcher's 1983 General Election victory) was not the Falklands War but rising personal economic expectations, which in turn resulted from changes in variables related to personal consumption including individual taxation, consumer expenditure and interest rates. Similarly, studying Conservative support over Thatcher's second term, Clarke and Whiteley (1990, pp. 113) find that both macroeconomic conditions and perceived performance significantly affected Conservative popularity. Furthermore, Clarke and Whiteley (1990, pp. 116-117) contend that Conservatives consciously loosened monetary policy in the first half of 1986 in order to improve public perceptions of economic performance and thus increase government popularity before the 1987 Election, based on data showing a relationship between these variables and an explicit assumption that the Conservatives recognised this relationship.

Clarke and Whiteley's latter assumption would be more strongly illustrated by using direct evidence of ministerial thinking behind policy decisions, rather than inferring intentions from quantitative data about the effects of the decisions. The findings of Sanders at al. (1987) and Clarke and Whiteley (1990) are consistent with the valence model of politics presented by Clarke et al. (2004), under which voter choice is determined by judgements about government performance rather than agreement with party ideology. By analysing archival evidence of private motivations, this thesis is an opportunity to test whether Conservative politicians made policy decisions for the purpose of changing public perceptions of government performance.

By arguing that major shifts in Conservative economic policy under Thatcher related to establishing perceptions of governing competence, the statecraft approach proposed by Bulpitt (1986) provides a political explanation for a major turning point in policy (in particular, the adoption of monetarist and free-market economics) traditionally explained in ideological terms. Outlining the statecraft approach, Bulpitt (1986) argues that winning elections and governing competently were the underlying aims of the Conservative leadership during Thatcher's tenure, identifying the political advantages of monetary control (relative to incomes policies) as driving the shift in Conservative economic policy after Thatcher succeeded Edward Heath. In defining statecraft, Bulpitt is interested in how politicians seek and retain office, and outlines five dimensions of statecraft which politicians must manage effectively to secure electoral success: party management, a winning election strategy, political argument hegemony, governing competence and another winning election strategy (Bulpitt, 1986, pp. 21-22). These concepts are presented as part of a statecraft cycle as Bulpitt (1986, p. 22) envisages 'a party in opposition' entering government through a winning election strategy, demonstrating governing competence in office and then securing re-election according to a new electoral strategy. This was how Bulpitt conceived the evolution of the Conservative Party under Thatcher in opposition and her first term as Prime Minister. Whereas Gamble (1994) relates Thatcherite statecraft to ideology as well as electoral politics, Bulpitt (1986) highlights that the calculations of politicians can be directed towards non-ideological goals. Even scholars disputing the idea that Thatcherism can be understood using one mode of explanation have recognised Bulpitt's argument as offering a distinctive and valuable perspective (Marsh, 1995, p. 597; Bevir and Rhodes, 1998, pp. 101-102). Some research using the statecraft approach focuses on Bulpitt's concept of political argument hegemony to amplify the attention given to ideational factors (Stevens, 2002; Tomlinson, 2007; Hayton, 2014;

Gamble, 2015). This risks missing an insight from Bulpitt (1986) about the role of governing competence and other non-ideational functions. Although the concept of political argument hegemony provides a potentially helpful way to integrate the instrumental role of beliefs, the key contribution of Bulpitt (1986) is his argument that major policy changes stemmed, not from ideological attachment, but from the party's desire to demonstrate governing competence.

Nonetheless, there are limitations in using the statecraft approach as a sole framework for understanding Thatcherism, in the same way that ideological or institutional explanations would be deficient in explaining all aspects of Thatcherism taken alone. By emphasising the agency of politicians, the statecraft interpretation does not adequately account for either the political environment or institutional constraints as influences on political decision-making. On its own, the statecraft approach is accordingly incomplete as a guide to the Thatcher governments. Buller (1999, p. 701) criticises the statecraft approach for assuming that is usually possible for agents to ultimately achieve their aims with the right governing strategy without sufficiently considering the structural impediments which they may face or the ways in which the external environment may limit the options available to an actor. Buller and James (2015) incorporate analysis of structural constraints alongside a statecraft evaluation of Gordon Brown's premiership. If economic or international events are unfavourable for a governing party, it may be that there are few statecraft choices available which would enhance their political prospects. Accounts which explicitly prefer either structure or agency risk distorting political analysis by framing questions and selecting examples which support a narrative focused exclusively on either structural or agential factors (Hay, 2002, pp. 95-96). This is a downside of the statecraft approach as an account which explicitly prioritises agency. While drawing on the statecraft approach's insights about the political importance of governing competence, this thesis will also have regard for material aspects of electoral politics (in particular, public opinion) outside the control of political actors, as well as the significance of institutional considerations.

1.4. Institutions

In making policy, Conservative politicians across the period of Thatcher's leadership (but especially in government from 1979) may not have been wholly at liberty to achieve their ideological aims or seek additional votes according to their inclination. Instead, decision-

makers may have been constrained and influenced by the domestic and international institutions which set the rules within which they operated. As with work which awards primacy to electoral politics, literature which regards institutional factors as most significant to policy-making is not as common as ideological interpretations. At the domestic level, research grounded in historical institutionalism suggests that preferences determined by pre-existing and evolving institutional norms shaped Conservative policy decisions, especially in relation to monetary and fiscal policy (Hall, 1993; Pierson, 1995). However, apart from domestic political and administrative institutions, this thesis argues that we must also consider the possibility that the international economic context was an external institutional constraint on Thatcherite policy-makers. Concerned that mainstream interpretations are overly parochial in their understanding of the Thatcherite political project, Open Marxist perspectives direct our attention to social class and the global political economy, presenting Thatcherism as part of an international response to a crisis in capitalist production (Clarke, 1988; Bonefeld, Brown and Burnham, 1995). Yet even if Thatcherism was situated within, and constrained by, international and domestic institutions, this does not preclude a role for political agency in mobilising, interpreting and challenging institutional agendas and norms. The aim of this thesis is to consider and evaluate both institutional influences on political decision-making and the role of politicians as conscious agents.

The importance of Conservative policy-makers' responsiveness to the interests and culture of domestic institutions is highlighted by historical institutionalist accounts. The tradition of historical institutionalism concerns the study of the relationship of political processes to institutional frameworks over time (Sanders, 2008, p. 39). Historical institutionalist perspectives have been fruitfully applied to the Thatcher governments and the New Right. Specifically, Pierson (1995, p. 109) notes that early changes to Supplementary Benefit in the Social Security Act 1980 stemmed from a review which originated in 1975 and which the Callaghan government already planned to implement. The trajectory of policy was unchanged. Subsequently, the Thatcher governments explored major reforms to the residualist system of income-related benefits (such as introducing taxbenefit integration) multiple times but declined to proceed on each occasion owing to political dangers and fiscal challenges (Pierson, 1995, pp. 113-115). This case illustrates the importance of past decisions in shaping future behaviour as well as the difficulties in reforming well-entrenched systems. In addition, Pierson (1995, p. 177) presents Thatcher's aversion to budget deficits and Reagan's prioritisation of tax cuts as reflecting the role of

institutional and political conditions in leading New-Right policy-makers to favour different neo-liberal principles (as central government in the British parliamentary system had undivided responsibility for fiscal decisions). This raises the question of whether institutional considerations influenced politicians in selecting between ideas, as opposed to the Conservatives favouring or disfavouring alternative ideas due to ideological bias. In the area of monetary policy, Hall (1993, p. 282) argues that a process of social learning about policy effectiveness (primarily involving officials at the Treasury and the Bank of England, not ministers) drove the adoption and eventual rejection of monetary control as a technique under the Heath, Wilson, Callaghan and Thatcher governments in 1971-73, 1974-76 and 1981-85 sub-periods. Hall's example points to a role for domestic bureaucracies in shaping government policy-making. Did this pattern hold more widely? If so, we should ask why party politicians prioritised adherence to domestic institutional norms and objectives over their party's ideology and electoral interests.

Seeking to explain an implementation gap between policy objectives and outcomes under the Thatcher governments, Marsh and Rhodes (1992a) develop an account under which the Conservatives were unable to achieve desired radical policy change due to policy networks. If Riddell (1989) argues that the Conservatives failed to achieve their promises, Marsh and Rhodes (1992a) propose opposition from policy networks (as a type of institution) as an explanation for Conservative failure. Looking below the level of the core executive, Marsh and Rhodes (1992a, pp. 184-186) point to the role of street-level bureaucrats (including local authorities) and interest groups as part of policy networks, which they identify as the single biggest factor preventing Conservative politicians from making and implementing radical policies. In their compilation, Rhodes (1992, pp. 62-63) identifies a lack of appreciation for the implications of infringing local autonomy, unrealistic policy methods founded upon consumerist ideals and the resistance of policy networks as reasons for the failure of Thatcherite policies on local government finance. In the case of environmental policy, Ward and Samways (1992, p. 134) also find that policy networks prevented radical change, with such change as did occur reflecting international forces. Wistow (1992, pp. 114-115) notes the hostility of clinicians to the introduction of new managerial practices within the NHS. This thesis is concerned with policy formation rather than implementation, whereas Marsh and Rhodes (1992a) discuss both stages of the policy process, so it is not possible for this thesis to evaluate all aspects of their interpretation. Nevertheless, this thesis aims to identify and assess instances where concerns relating to

institutions (including institutions outside the core executive) prevented radical policy decisions or otherwise contributed to changes in Conservative policy.

The key contribution of Open Marxist accounts is casting changes in domestic economic policy as part of an international response to a global crisis of capitalism. This thesis accordingly examines international as well as domestic institutions as influences and constraints on Conservative policy-making. Eschewing political ideology as a core explanation, Clarke (1988) presents Thatcherism as the result of class struggle stemming from a global crisis of capitalism. Specifically, it is contended that the international economy was failing to generate sufficient profit to sustain public expenditure and wage increases as part of the Keynesian Welfare State by the 1970s (Clarke, 1988, pp. 304-305). This problem is seen as being particularly severe in Britain owing to low domestic productivity and external competition from countries enjoying a comparative advantage (Clarke, 1988, p. 341). On this account, national governments in the 1970s (particularly the Callaghan government in Britain) responded to this crisis by abandoning Keynesianism for monetarism, creating a contradiction between the government's economic policies and the institutional structures of domestic economies (Clarke, 1988, p. 330). For Clarke (1988, pp. 349-351), Thatcherism formed part of an international capitalist response to this disjuncture, providing an ideological explanation for the failure of Keynesianism and a justification for curbing the power of trade unions, so that capitalists could continue to generate profit without meeting the material needs of the working classes. In this account, New-Right ideology becomes a symptom rather than a cause of underlying changes. There is a similarity between Clarke (1988) and the statecraft approach of Bulpitt (1986), in their shared emphasis on monetarism as an instrument for monopolising political debate and credibly explaining the failures of social democracy. This should prompt us to consider whether Conservative political strategy under Thatcher provided a way of reconciling British politics with changes in the international political economy. Overall, however, Clarke's perspective entails significant challenges for accounts focused on domestic politics. If Conservative decision-making in the late 1970s and 1980s was closely tied to shifts in the international political economy, then the causal significance of domestic political strategy would seem to be minimal. To the extent that this is possible on the range of evidence available, we should empirically study the influence of global forces on national politics. This is achieved in this thesis by broadening institutional analysis to incorporate international economic constraints as well as domestic bureaucracies.

From a theoretical standpoint, regardless of whether policy changes stemmed from international economic trends, developments within individual countries still unfolded through the actions of particular political parties and politicians. As such, the politics of a given country (such as Britain) remains worthy of study. This focus on the nation-state as a category of analysis within both political and ideological interpretations of Thatcherism alike is perhaps their greatest conceptual weakness according to Open Marxist accounts. Bonefeld, Brown and Burnham (1995, p. 14) lament the lack of attention to international experiences of Keynesianism and monetarism in the non-Marxist literature on Thatcherism. Like Clarke (1988), Bonefeld, Brown and Burnham (1995, pp. 60-61) see Thatcherism as part of a global capitalist response to the failings of Keynesianism. While this thesis acknowledges that the international economic context is highly relevant to the rise of the New Right across the world, including in Britain, international developments have to interact with the politics of individual of countries through specific political actors, particularly the elites of a country's governing party. Even if the principal arguments of Clarke (1988) are accepted, the forces through which monetarism displaced Keynesianism as the ideology of international capitalism must still have altered the behaviour of political agents within particular countries, regardless of whether the international trends themselves were founded on structural shifts. Analysing the decisions of these agents, such as by evaluating their ideological or electoral motivations, remains a worthy endeavour. In light of international financial globalisation, Bonefeld, Brown and Burnham (1995, p. 15) also question the assumption that states can control their own economic performance. There is reason to doubt whether international financial globalisation has constrained state capacities to the extent that domestic policy-makers are unable to influence domestic economic outcomes. Garrett (1998) refutes the notion that shifts in the global economy have prevented domestic politicians from pursuing their preferred macroeconomic strategies in pursuit of partisan political objectives. We should accordingly be sceptical of claims that Thatcherite policies can be explained through global economic shifts without also considering the nuances and circumstances of the British case.

By focusing on the economic interests and social groups mobilised by Thatcher's leadership at different stages, Jessop et al. (1988) identify voter coalitions to which the Conservatives might be expected to have appealed if they were defending class interests in light of an international crisis of capitalism. This posits a connection between the constraints of the capitalist economic system (afflicted by a crisis of profit) and the routes to Conservative electoral success. In particular, Jessop et al. (1988, p. 60) argue that

Thatcherism began as a 'social movement' drawing upon those sections of society which were antagonistic towards the post-war consensus and the welfare state. Associations for the self-employed, federations of small businesses, vigilante organisations, middle-class associations, libertarian groups and neo-liberal think tanks active in the 1970s are all cited as forming part of this social movement (Jessop et al., 1988, p. 61). In the mid and later 1980s, Jessop et al. (1988, pp. 171-180) suggest that de-industrialisation and financial liberalisation created a power bloc consisting of those who have benefited from the new economic structure and rising inequality, delivering the 1983 and 1987 election results. Jessop et al. (1988) specifies the social conditions which made it possible for the Thatcher governments to assemble three successive winning coalitions, but it is less useful in accounting for how the Thatcher governments successfully mobilised support from these voters. Jessop (2015, pp. 18-20) highlights the decision to drop monetarism from 1982 and the Thatcher governments' turn towards supply-side economics after 1984 as key turning points in the formation of a new base. Arguably, Jessop (2015) supposes too strong a connection between patterns of electoral support and the policies adopted at particular points in time, especially in the case of the 1983 election when Conservative rhetoric was yet to fully adjust to the post-monetarist position adopted privately. On the other hand, a strength of the analysis developed by Jessop et al. (1988) and Jessop (2015) is sensitivity to chronological differences across the timespan of Thatcherism. Without presupposing an alignment between policies and social classes, this thesis will assess the factors most influential on Thatcher's leadership (and the conditions which affected their degree of influence) in each parliamentary term.

In emphasising that Thatcherism was a product of class struggle, an empirical paradox facing Marxist interpretations is actions by the Thatcher governments which disadvantaged capitalist interests. In the early 1980s, output in export sectors contracted considerably due to an unprecedented appreciation of the currency related to government policy (Tomlinson, 2007, pp. 5-6). Britain became a net importer of manufactured goods for the first time in 1982 and net manufacturing investment fell by over 30% between 1980 and 1988 (Jackson, 1992, pp. 22-24). On the face of it, this was to the financial detriment of industry as well as the unemployed. Confronting this question, Leys (1985, p. 22) argues that Britain's status as the first country to industrialise, underpinned by imperial and naval power, meant that British industry was able to expand without manufacturing interests developing and promoting their own hegemonic outlook, in stark contrast to continental Europe. In the absence of manufacturing hegemony in the early 1980s, Leys (1985, p. 17)

suggests that leading manufacturers tolerated material losses in order to curb the power of trade unions, prioritising the interests of the capitalist system in the face of a perceived socialist threat. International commercial interests are identified as the dominant force within Britain's power bloc rather than manufacturing (Leys, 1985, 20). Other Marxist scholarship also stresses the pre-eminent position of the financial sector within the structure of British capitalism and the financial sector's close ties to the state (Longstreth, 1979; Ingham, 1984). From a non-Marxist viewpoint, Middlemas (1994, p. 439) notes the lack of influence exerted by industry on macroeconomic policy formation in the early 1980s, even when monetary control was relaxed. Compared to Clarke (1988), Leys (1985) is sensitive to the details of Britain's industrial development, rather than assuming that the rise of Thatcherism was an inevitable result of global economic forces. Whereas Leys (1985) sees the dominance of non-manufacturing business interests as the result of long-term trends within British history, Robinson and Harris (2000) instead identify the growth of a multi-national capitalist class associated with financial globalisation as central to the rise of neo-liberalism within British politics. This raises the question of whether manufacturers were superseded due to economic globalisation or alternatively if they never commanded much influence. In either case, the key implication of Leys (1985) is that the Thatcher governments represented a base comprising commercial and financial interests, limiting the potential influence of manufacturing capital.

Yet this leads to an intellectual inconsistency, as Open Marxist scholars are strident that finance capital should not be elevated over industry in explaining the rise of Thatcherism. At the outset, Clarke (1988, pp. 3-5) claims that the emergence of the New Right in the 1970s and 1980s did not involve a clash between industrial and financial interests, arguing that capitalists across diverse sectors were motivated primarily by the prospect of falling income from the failure to sustain growth under Keynesianism. Likewise, Bonefeld, Brown and Burnham (1995, pp. 186-189) dismiss the view that financial services have triumphed over industry in the British economy because British capitalism failed to reach the same stage of development as other nations. In particular, Bonefeld, Brown and Burnham (1995, p. 187) present financial globalisation as a relative strength of British capitalism as a whole, including the industrial sector as well as the financial sector. This contradicts the argument advanced by Leys (1985) that the absence of manufacturing hegemony was attributable to long-term characteristics of British economic development. More importantly, if we adopt Clarke's assumption that all sections of British capitalism were equally motivated by increasing their own profits, then the empirical problem which

Leys (1985) sought to address (namely the willingness of manufacturing interests to tolerate reductions in profit) still requires an answer. If these interpretations cannot persuasively explain why Thatcher pursued policies which harmed industrial interests, this should prompt us to consider wider explanations. Conservative policy choices which seriously damaged the manufacturing sector cannot be easily reconciled with the proposition that the Conservative Party under Thatcher's leadership was engaged in a class struggle on behalf of industrial elites. The direct motivations behind policy choices, including those disadvantageous to the manufacturing sector, may be perceptible based on archival evidence of policy-making. Were policies dictated by a global imperative to maintain sufficient profit for capitalist interests and which firms, if any, enjoyed privileged access to policy-making? Without foreordaining any answers, this thesis will evaluate the role of the international economy as an institutional constraint on Conservative policy-making.

1.5. Conclusion

In considering ideological, electoral and institutional explanations for Conservative policy-making under Thatcher, this chapter categorises and reflects on the arguments of the existing literature in a way that justifies the thesis's choice of ideology, electoral politics and institutions as variables for subsequent analysis. If we adopt a focus on policy-making, even accounts such as Kavanagh (1990) notionally concerned with politics accept a critical role for Thatcherite ideology (as the premier British version of a wider Anglo-American New-Right ideology) in setting the overall Conservative policy direction under Thatcher's leadership. Based on these explanations, the starting point is that Thatcherite ideology (as understood by Hall, 1983; Gamble, 1994) shaped Conservative policy-making. This leads to the questions of whether Conservative policy motivations were actually grounded in ideological considerations in the way that the literature suggests and what were the relative roles of electoral politics and institutions in shaping the trajectory of policy decisions. By examining a wide array of unused archival evidence of the policy-making process, this thesis fulfils the function of testing and developing the existing ideological, electoral and institutional accounts.

Beyond the overarching question about the relative significance of ideology, electoral politics and institutions in Conservative policy-making, this chapter has highlighted specific issues relating to the conditions under which a particular variable was

of greater or lesser importance according to the existing literature on Thatcher's leadership. While conditions are not usually stated explicitly, existing research identifies circumstances when ideology, electoral politics or institutions mattered more or less than at other points. For instance, there is a consensus that Conservative policy-making became more ideological with time over the course of the Thatcher governments (Moon, 1994; Dolowitz et al., 1996; Kerr and Marsh, 1999; Jessop, 2015). Similarly, the findings of Sanders et al. (1987) and Clarke and Whiteley (1990) indicate that there was a cycle relating to the timing of elections which increased the salience of electoral motivations. To what extent were the significance of ideology, electoral politics and institutions each dependent on the conditions implicitly identified in the existing literature on Thatcherism? Furthermore, is existing scholarship on the Thatcher governments consistent with the comparative literature relating to the circumstances when ideology, electoral politics and institutions affected policy-making? These questions will be studied further as part of the theoretical framework outlined in the following chapter.

Chapter 2: Theory and Methodology

2.1. Introduction

The main purpose of this chapter is to outline the theoretical framework which will be used to explain Conservative Party policy-making under Thatcher. This framework is designed to address the issues identified as requiring further research in the previous chapter, particularly relating to temporal shifts in Conservative policy motivations (involving the evolution of Thatcherite ideological coherence and the electoral cycle) as well as variation in how politicians responded to their institutional environment. This chapter will present ideology, electoral politics and institutions as independent variables to be used in studying Conservative policy-making, drawing on the model of party competition presented by Strom (1990) as well as comparative findings related to each variable. By integrating comparative insights, this thesis will refine our understanding of when we can expect these variables to have shaped policy-making. The chapter specifies conditions under which each variable might be expected to have been more significant in influencing Conservative policy decisions. Furthermore, the chapter justifies the choice of policy areas to be studied as part of the thesis and defends the suitability of archival research as the principal method for studying Conservative policy-making in the late 1970s and 1980s. The theoretical and methodological approaches outlined by this chapter are crafted to satisfy the challenges of ascertaining and evaluating the reasons why Conservative politicians selected policies.

This chapter is divided into three sections. The first section proposes the expected conditions under which ideological, electoral and institutional considerations were each of greatest significance to Conservative policy-making at different points in time. The research findings will be evaluated against these propositions. While avoiding formal hypotheses to be proved or rejected as part of the thesis, this section outlines expectations concerning when each of the independent variables may have been important. Drawing on comparative work, the expectations identify a consistent set of relevant questions to consider, as a starting point, when examining the data in each empirical chapter. The second section introduces the policy areas selected for research before they are addressed in detail in the following chapters. It argues that the selected policy areas are useful for evaluating the three independent variables and engaging with the strengths and weaknesses of the literature discussed in Chapter 1. The third section describes and justifies the choice of archival research as the main research method for applying the

theoretical framework and studying policy-making during Thatcher's leadership. This section acknowledges that there are difficulties in attributing policy decisions to specific motivations. However, it argues that archival research is the most suitable method available for analysing the detail of Conservative policy and can provide reliable evidence about the role of ideological, electoral and institutional considerations. The section also discusses other types of evidence used in the thesis, particularly memoirs and interviews.

2.2. Expectations

The previous chapter argues that additional research would be useful in clarifying the causal significance of ideology, electoral politics and institutions, in relation to each other and taken in isolation. The purpose of this section is to outline the conditions under which we might expect ideology, electoral politics or institutions to have been important in the policy-making process. The main aim of this thesis is to reach conclusions about the relative significance of each independent variable, but it is necessary to approach the evidence with more developed expectations than stating that one of the three variables was most important. The analysis will be improved by exploring understandings of why and when each variable mattered based on comparative research. Gerring (2010, pp. 1505-1508) emphasises that it is easier to explain that two variables are related than to identify why they are related. This is a challenging task, but is worthwhile. For instance, hypothetically arguing that electoral strategy was more influential than ideology or institutions is more explicable if accompanied by a theory as to why electoral politics mattered under the circumstances presented. Setting expectations will allow a deeper, more focused interrogation of each explanatory factor and contextualise arguments about their wider significance.

The intention is that the findings from the primary research will be evaluated against the expectations specified in this section. For each of the three independent variables, two or three propositions are formulated. The expectations will be used across all three areas of economic management, health care and defence and for each term of Thatcher's leadership. These expectations will assist in identifying where current political-science knowledge about the independent variables is well-evidenced or should be revised. However, while the expectations are stated and justified, a conscious decision is made to avoid a research design whereby the analysis is limited to accepting or rejecting two or three hypotheses. This would risk unduly narrowing the range of potential explanations

when many factors might affect the role of ideological, electoral and institutional considerations. The purpose of the expectations is to directly state issues to be studied in a way that is informed by debates in the literature, in order to provide focus to the empirical analysis, rather than to firmly predict what we would expect based on existing accounts.

In seeking to understand the conditions under which ideology, electoral politics and institutions can shape policy-making, this thesis integrates insights from comparative literature on political parties. This helps correct the failure of British politics literature on the Thatcher governments to consider electoral politics or institutions systematically as alternative explanations for policy decisions. In particular, this thesis draws upon the approach of Strom (1990), who synthesises literatures on vote-seeking, office-seeking and policy-seeking models of party competition in order to specify factors influencing party behaviour. This has the advantage of identifying when circumstances elevate a particular variable in importance, rather than assuming that one variable or the other has consistent importance across all periods of time. As objectives of political parties within Strom's model, policy-seeking and vote-seeking (understood as making decisions to secure the implementation of preferred policies and to gain votes respectively) can each be broadly related to our variables of ideology and electoral politics as drivers of party decisionmaking. Not all aspects of this literature are applicable to British politics in the 1980s. For example, Strom (1990, p. 567) notes that the concept of the office-seeking party (which prioritises obtaining control over government positions in its behaviour) has been developed largely in relation to the study of parliamentary coalitions. Coalition-building is less frequent in Britain than in continental Europe, which means that parties as collective units are less likely to be faced with the challenge of maximising control of offices in a coalition. Party and individual control over government institutions is subsumed within a wider range of institutional considerations.

In setting up ideology, electoral politics and institutions as explanations for policy decisions, they should not be presented as incompatible alternatives. Ideological, political and institutional reasons for a decision frequently co-exist. The purpose of this thesis is to identify which motivations were most significant overall, without excluding the possibility that multiple motivations exercised influence. Accordingly, the expectations in this section are formulated to identify the circumstances which might make a given factor more influential. A strength of Strom (1990) is specifying the organisational and institutional factors under which political parties are most likely to be vote-seeking, office-seeking or policy-seeking, which this thesis seeks to emulate. However, a relative weakness is that

Strom (1990) still envisages vote-seeking, office-seeking and policy-seeking models as distinct regimes of party behaviour determined by features such as the electoral system, the number of parties and a party's rules, failing to fully reflect that all three motivations may exist simultaneously within a party despite stability in the electoral system, party system and internal structure. Studying a recent period in British politics, Moore (2018) finds that policy-seeking, office-seeking and vote-seeking motivations all influenced Conservative parliamentarians' positions in the 2016 referendum on European Union membership, but that vote-seeking benefits were less important than office-seeking or policy-seeking incentives. This illustrates that all three objectives can drive policy choices within the same party and that it may be possible to discern the most significant factor. Additionally, in Moore (2018), the unit of analysis is individual politicians, not the entire party. By contrast, Strom (1990, pp. 592-594) presents vote-seeking, office-seeking and policy-seeking as party classifications. In analysing Conservative policy motivations under Thatcher, this thesis will avoid assuming that only one factor was relevant or that politicians had a united stance.

2.2.1. Ideology

Our expectations for the changing importance of ideology relate to the consequences of governing party status and pressure from the grassroots membership of the Conservative Party. Firstly, we should expect the importance of ideology to have been greater for the Conservatives in opposition than in office. Secondly, and relatedly, once the Conservatives entered government, this thesis proposes that ideological considerations became less important over time. Finally, we would expect ideological considerations to have come to the fore at times when party members were engaged in communicating their views to the leadership through informal mechanisms. These expectations have been formed based on non-British and in particular comparative studies, rather than using previous findings about the Thatcher governments. Indeed, opposite conclusions about the role of length of time in office and the influence of party members might be reached based on existing research into the Conservatives in this period. This thesis therefore presents an opportunity to consider what insights in the wider political-science literature are most relevant to understanding the conditions affecting the relationship between ideology and policy during Thatcher's leadership.

The first proposition is that the significance of ideological considerations is higher for an opposition party compared to a governing party. By analysing the periods of Thatcher's leadership before and after the Conservatives gained office in 1979, this thesis can make a wider contribution concerning the distinction between policy-making in government and opposition. In particular, this thesis will test whether opposition party status (with the absence of responsibility for policy consequences and other constraints associated with governing party status) tends to create oppositional behaviour leading to relatively more extreme policies. Dewan and Spirling (2011) find that opposition legislators in Westminster systems often oppose government measures irrespective of the policy content. Sánchez-Cuenca (2004, pp. 326-327) argues that some opposition parties seek ideological coherence for its own sake and accordingly reject moving to the centre to gain electoral rewards. Despite the potential biases towards reflexive opposition and ideological inflexibility, there may be a spectrum of behaviour among opposition parties. Sartori (1966, p. 152) distinguishes between responsible and irresponsible opposition, with the former being associated with parties which have an expectation of governing. Conversely, more recent research by De Giorgi, Moury and Ruiva (2015, p. 71) finds that 'mainstream opposition parties' become more confrontational when they have a realistic prospect of power. Similarly, Tuttnauer (2018) argues that opposition parties are likely to be more adversarial towards the incumbents if they have a higher chance of winning power and/or previous experience in government. This research into mainstream parties suggests that the Conservatives, when out of power, would tend to adopt ideologically distinctive positions.

The next (and related) proposition is that the importance of ideological considerations declines with longevity of time in office. In the existing literature, the effects of incumbency are under-explored relative to patterns of opposition party behaviour. In addition to addressing the direct effects of opposition/governing party status, this thesis examines the implications of government longevity for policy-making. This may allow us to draw general conclusions concerning whether the process of governing increases or decreases the salience of ideological considerations. From a theoretical perspective, it has been argued that the experience of government is detaching party leaderships from adversarial democratic politics and their roots in civil society in favour of elite concerns, which have been identified with either corporate interests or national bureaucracies (Crouch, 2004, pp. 72-77; Mair, 2006, pp. 542-547). Based on this, we would expect a typical political party to be less ideologically radical after a sustained period in office, when

governing parties are likely to have been exposed to corporate or bureaucratic interests which have distanced them from both their party members and voters. There is some empirical support for this proposition, but existing studies are conflicted. Bunce (1981, p. 223) finds that leaders in western democracies are significantly more likely to pursue radical policy change (particularly changes in the composition of government expenditure) after being newly elected compared to later in office. Similarly, examining nineteen OECD countries, Tsebelis and Chang (2004) find that changes in government composition result in ideologically different budget allocations. In their analysis, Tsebelis and Chang (2004, p. 457) treat new governments as responsible for the budgets enacted in the year after they take office. As such, their finding suggests that a change in government results in an immediate change in priorities. On the other hand, Brender and Drazen (2013, p. 26) contrast their findings with those of Tsebelis and Chang (2004), arguing that greater ideological shifts occur later in a government's tenure than initially after a new leader taking office. Likewise, Blais, Blake and Dion (1993) argue that a left-wing government is more ideologically distinctive in its fiscal policy decisions if it is in office for a longer period of time. Given the conflicting empirical findings, further research regarding how government longevity affects policy-making is needed. There is also a need to consider the implications of longevity for policy decisions other than the composition of government expenditure. In order to test the arguments presented by Crouch (2004) and Mair (2006) that corporate and bureaucratic interests are leading to governing parties becoming more technocratic, this thesis will adopt, as its starting point, the proposition that governments become less ideological over time. Examining this proposition may either validate or cast doubt on the argument that leading politicians no longer serve the demands of their party members and sectional interests after a prolonged period in office.

Apart from the theoretical contribution, finding evidence for or against the proposition that governments become less ideological over time would also have implications for the literature on Thatcher's leadership. As discussed in Chapter 1, existing work on the Thatcher governments suggests that Conservative policy gradually became more ideologically radical and coherent (Moon, 1994; Dolowitz et al. 1996; Kerr and Marsh, 1999; Kerr, 2001; Jessop, 2015). This runs directly counter to the proposition that governments become less ideological in their policy-making over time. Given the contradiction between the existing findings related to the Thatcher period and the comparative interpretations that governments are becoming more technocratic presented by Crouch (2004) and Mair (2006), this topic is ripe for further enquiry using the archival

evidence which was not available to previous scholars of Thatcherism. There are both strong theoretical and case-specific grounds for incorporating length of tenure in office within the framework for this study.

On occasions where party members and activists were more active or engaged in communicating their opinions to the leadership, we would expect ideological considerations to have assumed greater significance within Conservative policy-making. This involves looking beyond formal processes through which party activists could control a party's policies and instead considering informal mechanisms through which members influenced the decisions of politicians. Within the comparative literature, the role of party activists is discussed, but the focus is on party organisation and the level of internal party democracy. It is argued that party activists use democratic organisational structures to push party leaders to adopt more extreme positions, which creates distance between parties and the views of the median voter (May, 1973; Schofield and Sened, 2005; Bäck, 2008; Wagner and Meyer, 2014). In designing a theoretical framework which is capable of evaluating the Conservatives under Thatcher over time, intra-party democracy is less relevant, as the Conservative Party's organisation was highly undemocratic throughout the period from 1975 to 1990. From the 1960s to the 1990s, attempts at organisational reform to empower activists within the Conservative Party were consistently rejected (Whiteley, Seyd and Richardson, 1994, pp. 33-36). Following the 1997 General Election, institutional reforms were pursued, but more formal rules have been found to have strengthened previous oligarchical tendencies (Low, 2009). Such changes in any case occurred after the Thatcher period. When the Conservatives had consistently low intra-party democracy, we cannot treat changes in party democracy as a cause of variation in policy decisions.

Yet the low level of party democracy does not necessarily mean that the views of party activists were irrelevant. The ability of Conservative Party activists to directly influence policy-making was limited, but Bulpitt (1986, p. 19) identifies party management, including opinions of the grassroots as well as parliamentarians, as one of the core objectives of Conservative statecraft during the Thatcher period). In an analysis of Conservative Party conferences, Kelly (1989) argues that there is a 'hidden system' through which Conservative activists can influence the policy-making process without official votes. Informal pressure from activists may have been relevant even if members did not possess levers of institutional control. To study Thatcher's leadership, we must adapt our proposition away from the level of intraparty democracy. This thesis will move beyond a focus on party structures to consider if the views of party members led to a greater

ideological dimension in policy-making even without effective official mechanisms for member participation.

In particular, it is possible that elected representatives were a conduit through which party members could press ideological policy positions. If elected representatives reflected feeling among party activists, then feelings within the grassroots may have had an impact on policy-making at a national level. This would make role of ideology in policymaking dependent in part on the extent to which party members held and vocalised opinions on a given issue. An assumption that elected representatives are office-seeking and party activists are policy-seeking may not reflect the realities of policy-making, particularly in the British Conservative Party. Lehrer (2012) argues that leadership selection methods favouring party activists lead to party policy positions closer to the mean supporter, whereas leadership selection methods favouring elected representatives lead to policy positions closer to the median voter. While Lehrer (2012) may articulate an apt general rule, Wickham-Jones (1997) shows that Thatcher was elected party leader in 1975 by Conservative Members of Parliament with knowledge that she intended to take the party to the right. If so, elected representatives not only advanced ideological views but right-wing ideological views. Were elected representatives reflecting the views of party members? Miller and Schofield (2003) argue that partisan realignment in the United States has been driven by party activists pushing candidates for congressional elections to adopt more extreme positions. Most political parties do not have candidate selection mechanisms equivalent to the American primary system, but Miller and Schofield (2003) illustrate that it is possible for local activists have significant long-term effects on national policy-making through their contacts with national candidates. By considering whether and how pressure on policy was mediated through elected representatives, we can test the proposition that a high level of engagement from party members and activists, at particular times and/or in relation to particular issues, elevated the significance of ideology within the policy process.

2.2.2. Electoral Politics

This sub-section outlines two conditions which are expected to have shaped the influence of electoral politics on Conservative policy-making under Thatcher. First, it proposes that electoral considerations will have been more important towards the end of a government's mandate when the next general election was nearer. Second, it suggests that politicians will have been more sensitive to electoral considerations following a mid-term decline in

government popularity. The section also notes that electoral strategies can take forms beyond conventional vote-seeking behaviour (designing policies to benefit targeted groups of voters). This draws on the argument of Elmelund-Praestekaer and Emmenegger (2013) that notionally unpopular policies can be pursued with electoral motivations in mind. Thus, we should focus on the reasoning behind policies rather than ascribing or rejecting electoral motivations as an explanation based only on policy content.

We should be sceptical of the Downsian vote-seeking model as a universal explanation for government policy-making. Instead we should identify the circumstances when vote-seeking motivations are most potent as an influence on public policy. Downs (1957, pp. 72-73) argues that voters support governments based on the utility of their policies and that governments choose policies to maximise votes, which leads to higher government expenditure until the votes lost outweigh the votes gained from an increase in expenditure. This has limitations as a general theory. Rose (1984) illustrates that a large proportion of government programmes (in particular, government expenditure) is driven by bureaucratic inertia rather than conscious political choices. This leaves little scope for electoral calculation to determine a large share of public policy outcomes. Even when it comes to policy change driven by conscious electoral choices, we cannot assume that convergence on the median voter's position is the sole driving force. For example, Hindmoor (2004, pp. 32-33) contends that the New Labour governments targeted a political centre ground, which was partly the product of its own positioning, rather than following the views of the median voter and that this led to creative policies not easily placed on a spatial left-right spectrum. We can recognise the role of electoral considerations in policy-making without making the assumption that most policy decisions are related to vote-seeking behaviour in a way that can be precisely measured.

Most obviously, politicians should be more concerned about electoral success when an election is closer in time. As existing research has established the importance of this factor in relation to other cases, it is sensible to test the importance of proximity to elections in relation to Thatcher's leadership. Consistent with political-business cycle theory, in economies with a flexible exchange rate and without an independent central bank, a review of the literature confirms that money supply growth rises near national elections (Tiganas and Peptine, 2012, p. 862). Conconi, Facchini and Zanardi (2014) find that members of the United States Senate whose terms end at the next cycle of congressional elections and who are seeking re-election are more likely to favour a protectionist trade policy stance relative to senators whose terms are not due to expire or

senators who are retiring. In a non-economic context, Marinov, Nomikos and Robbins (2015) demonstrate that contributing countries deployed substantially fewer troops as part of the International Security Assistance Force operation in Afghanistan in the periods prior to national elections. The literature recognises that proximity to elections affects the importance of electoral politics on policy-making.

We should examine to what extent the timing of elections shaped Conservative policy-making under Thatcher, particularly as it has been argued that the Thatcher governments made budgetary decisions on electoral grounds. Mullard (1993, pp. 164-166) points out that the 1983 Budget contained increases in expenditure, with an eye on the 1983 General Election, whereas the 1984 Budget was more explicit about the Conservatives' goal of reducing public expenditure as a share of national output. By examining three distinct policy areas (economic management, health care and defence), across the full length of the Thatcher era, this study can judge if proximity to elections shaped Conservative policy-making beyond the example discussed by Mullard (1993).

To extend the wider literature on the role of electoral politics, it is likely that this thesis will also need to look beyond the effect of an impending national election. We would expect electoral politics to have the greatest influence on public policy when politicians are nervous about their party's prospects of winning the next general election. By examining a case where a government was in office over an extended period of time with upswings and downturns in popularity, this thesis aims to generate insights regarding the relationship between government popularity and policy-making. As discussed above, anxiety about electoral performance may arise naturally during the period when the end of a party's term in office is approaching, but triggers for concern may occur at earlier stages in the electoral cycle, related to a fall in government popularity. Existing research provides a strong basis for the expectation that, in selecting policy positions, politicians are more likely to consider electoral factors when their party is unpopular (Kousser, Lewis and Masket, 2007; Hobolt and Klemmensen, 2008, pp. 332; Hakhverdian, 2010). In particular, using time-series data for British governments from 1976 to 2003, Hakhverdian (2010) find evidence that less popular administrations are more likely to change policy in response to public opinion. However, an earlier study by Canes-Wrone and Shotts (2004) shows that that American presidents with below-average approval ratings are as likely as presidents with aboveaverage approval ratings to choose unpopular policy positions. The contrasting findings from Hakhverdian (2010) and Canes-Wrone and Shotts (2004) possibly reflect divergences in British and American political institutions, with executive accountability to the legislature in Britain ensuring greater responsiveness to public opinion. That being said, in a study which considers the role of political institutions and encompasses the United States as well as Britain and Denmark, Hobolt and Klemmensen (2008, pp. 326-328) found evidence that the level of government unpopularity increases responsiveness to public opinion in all three countries. As the literature leans in favour of the expectation (that a fall in government popularity increases the salience of electoral concerns) but is not unanimous, empirical findings in this thesis which support, contradict or qualify the expectation may aid understanding of this topic. Whereas existing studies infer responsiveness to public opinion based on correlations between poll ratings and policy change, archival evidence may allow us to directly perceive if the popularity of the government was discussed as a factor. This thesis will examine the evidence using an unequivocal proposition which crystallises the issue (as either positive or negative findings will support one view or the other), namely that a fall in government popularity does increase the relevance of electoral considerations to policy-making. As well as reflecting on the specific circumstances of the Thatcher governments, there is potential to make a general contribution in assessing whether concerns over mid-term unpopularity elevate the influence of electoral politics within the policy-making process.

However, in evaluating the role of electoral politics, it is important to bear in mind that an array of distinct vote-seeking strategies are potentially available to political parties. There is a danger of assuming that vote-seeking behaviour consists only of offering policies designed to materially benefit a subset of voters whose support is viewed as a critical to electoral success. For example, Bueno de Mesquita et al. (2003) outline a framework in which a political leader proposes and implements a distribution of public and private goods in order to form a winning coalition within a wider selectorate. In that respect, Bueno de Mesquita et al. (2003) present a framework using a conventional understanding of voteseeking behaviour, but electoral considerations may also lead to policies which do not offer rewards to supporters. This includes policy choices which might seem counter-productive to electoral success. Elmelund-Præstekær and Emmenegger (2013) investigate why a rightwing Danish government decided to abolish a popular early retirement benefits programme when it was trailing far behind in the polls shortly before a general election in 2011. They reject the obvious explanation that the move was primarily motivated by ideology. Instead, Elmelund-Præstekær and Emmenegger (2013, pp. 36-38) argue that the eye-catching proposal was intended to win wider electoral support by portraying the government as being prepared to take necessary decisions in challenging economic

conditions while casting the opposition as irresponsible by comparison. Proposing contentious retirement reforms is significantly different from a vote-seeking strategy based around offering material benefits to a subset of voters in exchange for their anticipated electoral support. Yet both approaches can have their roots in electoral politics. In considering possible vote-seeking motivations behind controversial policies, it will be important for this thesis to obtain documentary or interview evidence about the reasoning behind a particular policy. We should not assume that a policy is vote-seeking or policy-seeking based only on its impact.

2.2.3. Institutions

In approaching the role of institutions, this thesis is interested in how politicians select policies which promote institutional stability or further a wider agenda for institutional reform. While it is self-evident why politicians may seek to win elections or achieve ideological goals when making policy, the importance of institutions in shaping political behaviour requires greater elaboration. Policies may be selected because they are perceived to be compatible with existing state institutions. Alternatively, policies may be selected in order to advance institutional change. Marsh and Rhodes (1992a, p. 173) argue that institutional change was a major feature of the Thatcher governments, affecting local government, the NHS and nationalised industries as well as central government departments. Similarly, the argument that the Conservatives pursued radical institutional change is implicit in the interpretation of Kavanagh (1990) that the Thatcher governments broke with the post-war consensus. However, rather than assuming that these institutional reforms were selected as a result of government policies, this thesis will also investigate the opposite causal relationship: how institutions and institutional reform shaped policymaking. Hall and Taylor (1996, p. 939) outline that new institutionalist theories suggest that political actors make decisions based either on a rational calculation of self-interest shaped by institutional rules or perceptions of interest which arise from the norms and practices of the institutions within which individuals are located. By placing the decisions of individuals at the centre of institutional decision-making, we can explain change as well as stability (Peters, 2009, p. 65). Institutional considerations encompass the effects of strategic calculation and cultural norms grounded in the institutional environments of political actors.

This thesis has two main expectations related to institutional considerations. Firstly, the significance of institutional considerations will be dependent on ministerial performance, with institutional constraints on policy being less significant when ministers were more enthusiastic and proactive about implementing their party's ideological and electoral objectives. Secondly, the thesis expects institutional considerations to have usually supported policy stability based on the pre-existing norms dominant within a policy area, and to have resulted in radical policy change primarily at moments of economic, political or social crisis which required and enabled institutional actors to redefine institutional interests and norms. This suggests that institutions generally promoted policy stability and that institutionally-driven policy change stemmed from crises. While the empirical chapters will be structured to focus on specific policy areas, these expectations implicitly involve variation between policy areas as well as across time, as government departments could have differences in both ministerial performance and policy norms. Conservative approaches to different policy areas may have varied due to factors other than the content of ideological beliefs.

We should expect institutional considerations to have been stronger after the Conservative Party entered power in 1979. On its own, the idea that opposition parties face fewer institutional constraints than governing parties is too mundane a statement for it to become a central proposition in our analysis, but it must be borne in mind. In particular, it is related to the earlier proposition that ideology is less significant for governing parties who face the institutional constraints of government. Mair (2008) argues that European governing parties are increasingly withdrawing from partisan politics, leading to a form of technocratic policy-making which is unresponsive to electoral pressures and depriving mainstream political parties of their democratic legitimacy. This implies that institutional considerations are increasingly paramount for any party in government. In a parliamentary system, significant differences in the behaviour of individual politicians emerge between governing and opposition parties. Carey (2007) finds that opposition legislators in a parliamentary system are much less likely to follow a common policy stance than their government counterparts. This reflects the fact that opposition politicians are able to adopt rhetorical positions without being constrained by the institutional challenges of government. While policy-makers in the opposition period may anticipate institutional constraints and adapt their policies in order to avoid them, this is different from the situation of incumbent ministers who make policy within a bureaucratic environment. Marsh and Rhodes (1992b) highlight that public policy outcomes are determined in part

through policy networks drawing together civil servants and interest groups separate from Parliament and the core executive. Opposition politicians may engage to an extent with outside interest groups and with the Civil Service, but they are not located within policy networks in the same way as incumbent ministers. This means that we would expect institutional considerations to have been less significant in Conservative opposition policymaking.

The enthusiasm of individual cabinet ministers for their party's wider ideological programme may affect the significance of institutional considerations for policy-making in their department. Where a cabinet minister is less committed to their party's ideological programme, we would expect institutional considerations to have a greater effect on public policy decisions in that department during their tenure. We expect the reverse to be true where a minister is highly enthusiastic about their party's ideological objectives. At present the party government literature is wedded to the assumption that political parties serve as unitary actors. In exploring how ministerial performance affects the role of institutions in policy-making, this thesis can provide an empirical test of the unitary actor assumption. Previous studies argue that politicians typically function as agents of their parties when holding ministerial office (Laver and Schofield, 1990, p. 28; Laver and Shepsle, 1996, pp. 24-25). However, if a minister is no longer promoting policy change in line with their party's ideological or electoral objectives, the continuation of existing institutional norms is likely to drive policy-making instead. In a study of American federal agencies, Ting (2002) demonstrates that bureaucracies have a tendency to resist policy objectives assigned to them by politicians unless intensively monitored and controlled. If a minister is not interested in driving their party's objectives forward, institutional concerns will tend to predominate. Dewan and Myatt (2007) highlight that prime ministers sometimes protect cabinet ministers engulfed in scandals on the expectation that such ministers will be more likely to exhibit loyalty and implement their party's ideological objectives as a result. Further research is needed on policy decisions in situations where heads of government fail to obtain compliance from ministers in working towards a common agenda. This thesis will help fulfil this need by testing the proposition that ministerial enthusiasm about their party's programme decreases the role of institutional considerations and conversely that a lack of ministerial enthusiasm will have the opposite effect.

Beyond ministerial enthusiasm for their party's ideological position, the effectiveness of ministerial performance more generally may influence the significance of institutional considerations. We would expect policy choices to reflect the prior interests

and norms of the prevailing administrative and economic institutional configurations when ministers are unable to effectively deliver policy change. Pierson (2004, p. 43) notes that institutional constraints typically favour the continuation of both existing policies and the underpinning institutional arrangements due to choices by previous decision-makers intended to bind their successors and the tendency of politicians to impose restraints on their own policy selection to demonstrate credibility. Pierson (2004, pp. 108-122) also argues that actor-centred institutional design is often inherently limited in overcoming the effects of long-term institutional processes. Achieving institutional reform and the consequent policy change is difficult for politicians. Furthermore, we might expect institutionally-driven policy and institutional stasis to be more prevalent in governments which have been in office for a longer period of time. There is an established stream of literature which argues that low cabinet turnover can damage the quality of policy-making by keeping ineffective ministers in office (Dewan and Dowding, 2005; Huber and Martinez-Gallardo, 2008; Indridason and Kam, 2008). The implication of this finding is that lowperforming ministers are unable to effectively deliver policy change which reflects their government's wider objectives. Extending this argument, Dewan and Myatt (2010) argue that the quality of British ministers will inevitably decline over the life of a government as the talent pool is exhausted among ministers drawn from the legislature. If the power of institutions is negatively correlated with the effectiveness of ministerial performance, Dewan and Myatt's research implies that institutional considerations may become more significant over time. Does a politician's individual effectiveness make any difference to their capacity to reform or resist the formal and informal institutional constraints on policymaking identified by Pierson (2004)? When ministerial performance is weak, are institutions the alternative drivers of policy-making, overriding a party's objectives rooted in ideological and electoral considerations? By evaluating whether institutional considerations come to the fore under these conditions, this thesis can contribute to literatures on ministerial performance and bureaucratic policy-making.

However, while institutional considerations may counteract a party's ideological aims, there may be a relationship between ideological and institutional factors in a broader sense. On the assumption that an institution generally favours policies compatible with its pre-existing norms and culture, both economic and bureaucratic institutions might be conceived as promoting their own ideology at the expense of the ideology of the governing party (to the extent they diverge). Where a particular institution has previous positive experience involving policies from a particular tradition, we can expect institutional

pressures to exclude alternative options from the policy-making processes. Institutions involved in policy implementation are likely to favour policies similar to those they have previously implemented. If a specific set of ideas is fundamental to the power, identity or preservation of an existing institution, we would expect institutional actors to exercise a bias against policies from a different intellectual paradigm. Examining this issue provides an opportunity for this thesis to engage with wider theoretical debates centred on the theory of constructivist institutionalism. Hall (1989, pp. 373-374) highlights that the Treasury in the 1930s maintained a strong aversion to higher state expenditure and that this stance shaped Britain's reaction to the Great Depression. This was associated with an argument (known as the Treasury View), advocated by Treasury officials to counter Keynes, that expanding public expenditure inhibits private investment (McKibbin, 1975, p. 106). Thain (1984, p. 586) addresses the possibility that intellectual biases related to economic theory (albeit not necessarily the same as the interwar Treasury View) existed within the Treasury in the 1970s and 1980s, suggesting that different biases were held by each organisational sub-division. As is noted by Hall (1989, p. 373), archival research demonstrates that the 1930s Treasury's opposition to fiscal stimulus was rooted in the administrative problems of increasing expenditure on employment and construction programmes, as well as a general emphasis on fiscal prudence, at least as much as their more-publicised theoretical counterargument about negating private expenditure (Middleton, 1983; Peden, 1984). In any case, the Treasury was one of several key institutions (alongside the Bank of England as well as the financial and industrial sectors) which prevented both the minority Labour government (despite its ideological background) and the subsequent administrations from pursuing an expansionary fiscal policy (McKibbin, 1975, pp. 122-123). This example illustrates that politicians can prove reluctant to embrace new policies which violate institutional norms even if there are strong ideological and party-political arguments underpinning a proposal. From a theoretical standpoint, Yee (1996, p. 92) highlights that, beyond favouring particular policies, institutional constraints can prevent unfavourable alternatives from even being considered as acceptable options within the policy-making process in the first place. Rather than being a pure clash between ideological and institutional forces, the power of institutions in the scenario presented by Yee (1996) is the constraints they impose on the ideological boundaries of policy-making. This relates closely to the discursive institutionalist argument that ideas become implanted within particular institutions, creating intellectual filters through which external events are perceived until a shift occurs in the dominant

world view (Hay, 2008, p. 65). This thesis will investigate the claim that institutions regulate the intellectual space in which policy-making occurs.

Employing a discursive institutionalist perspective, we would expect institutional considerations to be most likely to produce radical policy change at moments of economic, social or political crisis. The corollary of this proposition is that institutions will be primarily a force for stability in those periods when there is no crisis-driven shift in underlying institutional values. The discursive institutionalist assumption that policy change is most likely to occur following a crisis trigger, advanced in the work of Schmidt (2002; 2008; 2016), is consistent with the historical institutionalist argument that institutions are generally adverse to policy and institutional change (Pierson, 2004, pp. 42-43). However, we must also consider whether literatures emphasising the role of crises under-estimate the capacity of politicians to select new policy ideas intended to produce institutional change without a preceding crisis. In the absence of a crisis prompting a paradigm shift, are individual political actors able to defy institutional constraints to select new policies designed to bring about institutional change? Whereas in ideological accounts politicians select policies to satisfy ideological aims, the purpose of ideational and policy selection in discursive institutional accounts is to advance institutional goals. Schmidt (2008, pp. 306-308) distinguishes between debates at policy, programmatic and philosophical levels, arguing that philosophical discourses embedded in institutions usually only change in times of crisis. Thus, scholars have explored cases where political actors have engaged in a process of ideological contestation, in an effort to control the narrative surrounding a crisis, leading to the selection of new policies which create new institutional norms and confer advantages within evolving institutional structures (Hay, 1996; Bae, 2016; Schmidt, 2016; Neep, 2018). It is emphasised that a crisis on its own is insufficient to produce policy change, with outcomes contingent on the success of the discourses presented by politicians following a crisis (Schmidt, 2002, pp. 187-187). Yet Carstensen (2011) argues that ideas are typically constituted by multiple elements and can adapt without a crisis trigger. Carstensen's argument leaves greater scope for politicians to select policies which craft new institutional norms. This thesis will consider if institutional considerations can lead to policy change only at times of crisis or if there is evidence of politicians pursuing policy change from institutional motivations without a prior crisis.

2.3. Policy Areas

The purpose of this section is to justify the selection of economic management, health and defence as the policy areas covered by this research. Each of the selected policy areas is briefly discussed in relation to the intellectual questions it raises. The argument is that each of these policy areas individually has the potential to offer insights about the influence of ideological, electoral and institutional considerations. Additionally, the policy areas selected cover a wide cross-section of government business with significant differences in ideological, electoral and institutional context. This study will accordingly be useful for comparing between policy areas based on the variables and drawing general conclusions about Conservative policy-making under Thatcher's leadership.

Before proceeding to discuss each policy area, it is necessary to clarify their status within the thesis as a whole. Is it correct to treat the separate policy areas as if they are case studies of Thatcherite policy-making? From one perspective, the entire thesis is a single-country case study which sheds light on how political parties approach policy-making decisions. Indeed, Gerring (2004, p. 342) argues that the distinguishing feature of a case study is that it focuses on a single unit of a social phenomenon in order to contribute to the understanding of that phenomenon and that multiple cases can be drawn from the same unit. Using Gerring's definition, this thesis is one case study focused on the policy motivations of Thatcher's Conservative Party as a single example of a political party's approach to public policy with the selected policy portfolios merely being a series of examples falling within that unit. Gerring's definition is applicable to this thesis insofar as its findings are applied to understanding how ideological, electoral and institutional considerations shape public policy outcomes in general. However, the main objective of this thesis is revising interpretations of Thatcherite politics and policy-making. From this angle, each policy portfolio constitutes a bounded case study in its own right. The policy areas are accordingly being used in two different ways.

The three selected policy portfolios share some features, ensuring that we can generalise about the significance of independent variables over time across the period of the Thatcher governments. Equally, the range of policy areas chosen covers issues where the consensus suggests that ideology may have played a greater role and areas where the existing consensus suggests that the role of ideology was less significant. This balance in focus should ensure that the empirical findings are not biased for or against any of the three distinct independent variables. As discussed in the preceding chapter, Gamble (1994)

argues that Thatcher's Conservatives mixed economic liberalism with support for a strong state in areas where Conservatives had historically been more comfortable with supporting government intervention. Applying this argument, we would expect defence to be a portfolio where the Conservatives sought a strong role for the state, whereas economic policy and health would be areas where a market-based approach would be preferred. Thus, this research includes one of the key examples where Gamble's argument implies the Conservatives should have favoured a larger government role (namely defence) and two examples where Gamble's argument implies the opposite (namely economic management and health).

The management of fiscal and monetary policy is central to existing debates about the balance of ideological and pragmatic considerations in Conservative policy-making under Thatcher. If economic management was excluded, this thesis would be ignoring the policy area where divergences between political and ideological accounts may be most acute. It is important to engage with the debates on macroeconomic policy, but without becoming unnecessarily committed to one interpretation or the other. Political scientists and historians alike have written more on monetary policy in 1979 to 1982 than the evolution of fiscal and monetary policy in the later years of the Thatcher governments. This is a defect which should be corrected by attention being paid to the conditions which led to different economic policy outcomes across the 1980s. For many scholars, the Conservatives' striking experiment with monetarism in the early 1980s can be best explained by the influence of liberal economic ideas (Evans, 1997; Graham, 1997, pp. 124-126; Stedman-Jones, 2012). Conversely, advocates of the statecraft approach have argued that the Conservatives' monetary and fiscal policies in the early 1980s formed part of a wider electoral strategy (Bulpitt, 1986; Tomlinson, 2007; Tomlinson, 2012). This literature is chiefly engaged with ideological and electoral motivations. However, if scholars of the Thatcher governments focused to a greater extent on the entire 1980s, greater emphasis might be placed on the Conservatives' consistent interest in rules-based policy-making in the fiscal and monetary arena, from the Medium-Term Financial Strategy (MTFS) to the ERM, which has been noted in the depoliticisation literature (Burnham 2001, pp. 142-144; Buller and Flinders, 2005, p. 539). This suggests that institutional considerations may also be relevant to Conservative macroeconomic policy in the 1980s, even if they have been peripheral to existing debates. As such, studying Conservative economic management provides an opportunity to evaluate conditions affecting the significance of ideology, electoral politics and institutions.

Compared to other policy areas selected, health care might be regarded as the portfolio where ideological, electoral and institutional pressures were least well-aligned during Thatcher's tenure as Conservative leader. This makes health as a policy area particularly suitable for both measuring the relative significance of each variable and understanding the conditions under which each variable came to the fore within Conservative policy-making. Harrison (1988, p. 87) notes that public support for greater expenditure on the NHS was recorded in MORI polls at 70% in 1980 and that support for higher health spending rose over the rest of the 1980s. As such, health policy was particularly electorally sensitive relative to other policy areas. Conversely, neo-liberal intellectuals at the IEA and CPS pushed the Thatcher governments to consider market reforms within the NHS (Jackson, 2012, p. 60). Thus, electoral and ideological pressures pulled the Thatcher governments in opposite directions. Equally, the Conservatives faced institutional and financial problems related to rising public demand which did not coincide comfortably with either ideologically palatable or vote-winning solutions (Klein, 2001, p. 149). Health care is also interesting due to the timing of reform. Harker (2019, p. 14) shows that annual real-terms NHS expenditure peaked in Thatcher's first term (at 9.3% in 1980-81), whereas health reform was planned in the third term. On the face of it, the pattern of policy change implies that institutional or electoral constraints ensured continued spending growth in the early 1980s, whereas ideological factors played a greater role in the later 1980s. If health policy radicalism in the late 1980s stemmed mainly from ideological motives, this would contradict the expectation that ideology declines in importance over time discussed in the previous section. As such, analysing health will be useful for testing our expectations for Conservative policy development.

Defence presents a paradox where neither ideological nor electoral considerations seem to explain Conservative policy-making as well as might have been expected. This makes defence an interesting case study for investigating the relative significance of ideological, electoral and institutional factors. The existing Thatcherism literature suggests that the Conservatives should have supported a stronger role for the state in defence. Yet defence expenditure was given a low priority by the Conservatives under Thatcher's leadership. Hampshire (2015) shows that Thatcher supported the Treasury's efforts to curtail defence expenditure in her first term and removed Francis Pym as Defence Secretary in January 1981 due to his opposition to defence cuts. Likewise, in the second half of her administration, defence spending was cut as a percentage of GDP every fiscal year bar one from 1985-86 to 1990-91 (Defence Select Committee, 2016, p. 37). This is

hard to reconcile with either electoral or ideological motivations which should have dictated more generous treatment of defence. From an ideological perspective, Gamble (2012, p. 224) argues that Thatcher dedicated herself to the Anglo-American struggle against Soviet Communism. Similarly, Vinen (2009) locates Thatcher and Thatcherism in the political climate of the later Cold War. On either basis, we might have expected defence to receive more favourable settlements than other policy areas. From an electoral standpoint, it has been estimated that increased popularity following the Falklands War led to a sixpoint increase for Thatcher's party at the 1983 General Election (Norpoth, 1987). The view that the Falklands War had major electoral consequences has been disputed (Sanders et al., 1987). If correct, Sanders et al. (1987) undermines the widespread view that defence was a significant vote-winner for the Conservatives. When making policy, what did Conservative politicians perceive about the electoral salience of the Falklands War and defence issues more generally? As it stands, both ideological and electoral considerations struggle to explain the Thatcher governments' approach to defence (especially defence expenditure). This makes defence an important case for further study.

2.4. Research Methodology

This section aims to justify the choice of documentary and in particular archival research as the principal research method of this thesis. Within the umbrella of documentary research, the main source of evidence is archival papers but other documents (in particular the memoirs of key Conservative politicians) are also used. Elite interviews are employed to provide general insights into Conservative politics and policy-making, adding to the evidence of specific policy discussions contained in archival documents. Overall, the section argues that archival research is the best available method for identifying the private reasoning behind Conservative policy decisions under Thatcher's leadership. Nonetheless, the thesis must bear in mind (and, where possible, mitigate) the inevitable limitations on the comprehensiveness and reliability of the available sources.

2.4.1. Documentary Research

This thesis aims to identify and explain Conservative policy motivations using a detailed body of evidence derived principally from archival sources. Despite the prominence of debates on Thatcherism within 1980s and 1990s British politics scholarship, political

scientists have been slow to use archival research to reassess prior interpretations of the Thatcher period. Many classic studies of the Thatcherism rely exclusively on speeches, memoirs and official publications, if they use documentary sources at all. This defect applies to seminal contributions from multiple theoretical perspectives. Influential works on Thatcherite ideology lack reference to archival material, even when discussing specific policy issues (Hall, 1983; Jacques, 1983; Gamble, 1994; Hall, 1988; Phillips, 1998). The same defect is found in accounts which take subjects other than ideology as their focus (Bulpitt, 1986; Clarke, 1988; Jessop et al. 1988; Holmes, 1989; Riddell, 1989; Kavanagh, 1990; Bevir and Rhodes, 1998; Kerr and Marsh, 1999; Kerr, 2001). This is inevitable as archival collections were unavailable when this work was produced. Nonetheless, the consequence of this limitation is that key political-science perspectives on Thatcher's leadership lack engagement with highly relevant empirical data that is now accessible to us. Over the last decade, as records have been released, historians have begun to produce findings based on archival research (Sutcliffe-Braithwaite, 2012; Tomlinson, 2012; Hotson, 2014; Needham, 2014b; Williamson, 2015; Francis, 2017; Abernethy, 2018; Davies, Freeman and Pemberton, 2018; Rawsthorne, 2018; Kelly, 2020). Yet this historical scholarship is not exclusively concerned with policy and, where policy-making is a focus, tends to be highly specialised in relation to a single topic and/or sub-period (typically earlier in Thatcher's leadership) without considering general policy motivations. For instance, Williamson (2015) presents one of the most detailed and wide-ranging archival studies to date but discusses only economic policy and does not go beyond 1979. Excepting the discussion of ideology in Sutcliffe-Braithwaite (2012), historians' accounts also generally lack the analytical concepts underpinning debates over Thatcherism in the earlier political-science literature. This thesis provides an opportunity to revisit Conservative policy-making using detailed archival evidence from a perspective grounded in political studies (namely assessing the causal significance of ideology, electoral politics and institutions).

The archival papers available for studying Conservative policy-making under Thatcher are substantial. This research faced the challenge of determining which papers are most important for studying ideological, electoral and institutional considerations. The National Archives holds many relevant documents. The first general release of prime ministerial and cabinet papers for Thatcher's premiership was in 2009, covering 1979 (National Archives, 2009). The last general release was in 2016, covering 1989 and 1990 (National Archives, 2016). This thesis makes significant use of Prime Minister's Office and Cabinet Office files. Burnham et al. (2008, p. 200) argue that the scale of official records

serves to reveal differences between actors in the core executive and departments. This thesis uses departmental records from the Treasury, Department of Health and Social Security (DHSS) and Ministry of Defence (MOD). For defence, relevant Foreign and Commonwealth Office (FCO) files were also consulted as part of the research process. Treasury files are used both for assessing economic management and public expenditure decisions relating to the other policy areas. The Bank of England Archive (separate from The National Archives) is used to gain additional insights regarding economic management. Beyond subject matter, in utilising the material, the thesis avoided assumptions about what might be found in different files. Nonetheless, consideration was given to which official records might be most useful for assessing each variable. Departmental files were expected to be useful in identifying norms in bureaucratic practice, relevant to institutional considerations. Where present in official records, electoral considerations were expected to feature most prominently within files pertaining to the core executive or, in departmental files, in papers involving ministers. Evidence of ideological considerations (possibly presented as neutral policy arguments) was expected to be found in records for both the core executive and departments.

The archival sources valuable for this project extended beyond official records. Burnham et al. (2008) largely conceive of archival research in political science as engagement with official government records, but historical research ranges beyond this. The files of the Conservative Research Department (CRD) and party committees (including those concerned with campaign strategy), in addition to the papers of Keith Joseph, are available in the Conservative Party Archive (Conservative Party Archive, 2009). These records proved vital in assessing the opposition years before the Conservatives gained office in 1979, but were also useful for the whole period. In addition to party files, some private collections are also open, although vary in relevance. This thesis uses the Howe Papers as they are highly relevant to economic policy-making. These was released in 2011 and contain political papers and correspondence in addition to government documents (Turner, Robinson and Neely, 2011). The single most important non-governmental archival collection used by this thesis is the Thatcher Papers, containing a vast quantity of draft speeches, minutes of meetings, correspondence and policy documents, with sections for official and personal business (Churchill College, 2018). This offered scope to compare private papers with official documents and memoirs.

The Thatcher Papers are based at the Churchill Archives Centre. However, much of its material, as well as National Archives files from the Prime Minister's Office and other

sources relevant to Thatcher's career, is available and was accessed online as digitally scanned documents at the Thatcher Archive (Margaret Thatcher Foundation, 2017). The digitisation of the Thatcher Archive proved invaluable for this thesis, both directly as regards sources consulted and by allowing visits to The National Archives and the Churchill Archives Centre to focus primarily on records unavailable online. Sinn and Soares (2014, p. 1797) report that researchers in humanities and social-science disciplines have found online searching of digitised archival content has enabled them to quickly identify documents which include words relevant to their research. This potentially reduces the number of documents which have to be read, but relying on such searches alone risks missing documents. Accordingly, a combination of research strategies was used to identify relevant content. Overall, the conventional and digitised archival collections used in this project are extensive.

A key issue when conducting archival research was identifying the specific files/boxes and documents to consult. This represented a practical and intellectual challenge. For this thesis, material was relevant if it included evidence regarding the role of ideology, electoral politics and institutions in policy-making. For non-digital collections, there was a limited amount of time available in the reading room on each visit, requiring a careful judgement to be made in advance about how many and which files to read. Ordering a large number of files beforehand on each visit was preferred, enabling flexibility in moving between files based on relevance. Depending on how much it was practical to study and the level of relevance, sometimes the same files were re-ordered for subsequent visits. Burnham et al. (2008, p. 204) highlight the online catalogue of the Public Records Office (predecessor to The National Archives), with searches possible based on criteria such as organisational units, year of authorship and title. Utilising the current online catalogue of The National Archives (Discovery) allowed files relating to specific policy issues to be found. Whereas The National Archives houses a mass of potentially relevant documents originating across government from 1979 to 1990, other collections are narrower and their catalogues were easier to search.

It is not merely a question of accessing relevant documents. We must also bear in mind the inherent limitations of archival evidence for the study of politics and elite decision-making. Burnham et al. (2008, p. 208) note the criteria of 'authenticity, credibility, representativeness and meaning' for evaluating documentary sources. The first criterion is less relevant as this thesis studies modern political papers which are unlikely to include forgeries. The other three criteria raise significant concerns which have to be borne in

mind. For historians and political scientists exploring these issues, Greenstein and Immerman (1992) discuss an illuminating case: in 1965, controversy emerged over conflicting accounts of a January 1961 meeting between Dwight Eisenhower and John F. Kennedy, where the Johnson administration maintained that Eisenhower told Kennedy to intervene in Vietnam. Notes taken by four different participants reflected their political allegiances, calling into question their credibility, and requiring careful analysis to disentangle the meaning (Greening and Immerman, 1992, pp. 577-583). The case also demonstrates problems of representativeness, as if only one or even two accounts had been found, analysts might have a different understanding of the Eisenhower-Kennedy meeting. Political elites have a vested interest in creating perceptions.

Beyond the risk of a small number of documents being misleading and unrepresentative, there is also a danger that the nature of the information recorded in archival records is such that it misses out aspects of social reality. This highlights the importance of including other sources in a study, including elite interviews and memoirs. Relying on archival sources alone risks omitting or distorting parts of the picture. For example, Shepard (2010, p. 482) argues that artificial divisions have emerged between the histories of South Asian countries as official records reflected the perceptions of British colonists. Similarly, official documents authored by civil servants might not always be explicit about partisan motivations behind decisions, which may make it difficult to assess the role of electoral politics. While the information that is contained within archival records is likely to be useful, official records may omit relevant facts about the political process.

Although the problems of comprehensiveness and interpretation cannot be fully remedied, archival documents remain a highly appropriate form of evidence for scholars studying Conservative policy discussions from 1975 to 1990. Compared to memoirs or interviews, the range of archival evidence available is more detailed, more diverse in type and less dependent on individual perspective. Questions relating to the reliability and interpretation of an individual document can often be addressed through source analysis and comparison. The most serious concern is the general possibility that archival papers as a class may be biased. This problem is mitigated by the range and depth of archival collections which this thesis will use. If records at The National Archives do not fairly reflect the contribution of electoral motivations, it is likely that documents in Thatcher's personal papers or the Conservative Party Archive offer an explicitly political point of view. Not only different collections, but different types of document (such as memoranda, longer letters, meeting minutes, reports and draft speeches) each have distinct characteristics. Discussing

elite interviews in the context of research into intelligence services, Davies (2001) argues that political scientists should use a combination of interviews, documentary evidence and memoirs to support their claims, cross-referencing within and between different types of sources. Within the field of intelligence studies, Davies (2001, p. 78) endorses the position that at least two independent items of evidence are necessary to treat any claim with any degree of trust. While this is a sensible standard when dealing mainly with interview evidence in intelligence studies (where archives are restricted and public information is limited), it is not necessary (and, in many cases, impossible) to double verify each piece of factual information recorded in an archival document (which we can expect to meet basic standards of authenticity, compared to interview recollections). Rather, the issue is the strength and reliability of the overall body of evidence marshalled in support of the claims behind an argument. Archival sources are useful given the focus on policy detail and their overall scale, enabling this thesis to examine policy discussions across many separate individual instances. Together, the variety of archival documents and other sources provide a sound empirical foundation for this thesis.

Finally, documentary sources other than archival papers form part of this thesis's research methodology, including official publications and speeches which contain content relevant to both the detail of policy-making and political context. In particular, it would be amiss not to acknowledge memoirs as an important source of evidence for this thesis. In similar vein to other outputs (such as interviews) produced wholly or in part by the politicians and officials who are the subjects of research, memoirs typically portray the author as a conscientious public servant. This raises a question as to whether evidence from memoirs can be used to fairly identify the influence of electoral considerations, as this study is concerned in part with evaluating the role of electoral politics relative to ideology and institutions. Gamble (2002, p. 142) argues that the utility of political memoirs varies significantly and that some memoirs offer partial accounts designed to correspond with the author's self-interest. In using evidence drawn from memoirs, this thesis will be sensitive to the impression that the author is seeking to convey and bear in mind that the actual course of history will have run less tidily than their memoirs suggest.

Despite these disadvantages, it would be foolish not to study the written accounts of those most engaged with the events being studied. In particular, Gamble (2002, pp. 145-146) highlights the detail on policy-making included in some memoirs of the Thatcher and Major governments, citing those of Thatcher, Lawson, Major, Norman Lamont and Michael Heseltine as useful for analysing policy. Gamble (2002, p. 145) pinpoints that Lawson's

memoirs are especially helpful for their focus on justifying policy choices. For the reasons that Gamble (2002) identifies, the memoirs of Thatcher, Lawson, Major and Heseltine are all used in this thesis to identify evidence regarding policy (Lawson, 1992; Thatcher, 1995a; Major, 1999; Heseltine, 2000). Thatcher's separate memoirs covering her tenure as Opposition Leader are also used (Thatcher, 1995b). Each of these memoirs provides valuable insight: Thatcher's memoirs in relation to all areas; Lawson and Major's memoirs in relation to economic management and regarding expenditure on health care and defence; Heseltine's memoirs in relation to defence. This thesis also uses a wider array of memoirs which are relatively less focused on policy detail but still contain useful information, offering varying levels of policy discussion alongside reflections on events and political context (including Fowler, 1991; Ridley, 1992; Howe, 1995; Nott, 2002; Hurd, 2004; Clarke, 2016). These can reveal ideological motivations (particularly personal ideological views) and evidence about ministerial performance. All these memoirs contribute to understanding ideological, electoral and institutional considerations.

2.4.2. Interviews

Elite interviews provide a secondary source of evidence for this thesis. Relative to archival documents, an advantage of interviews is that respondents can discuss private conversations and political motivations which might not feature in official records. This makes interviews potentially useful for understanding the role of electoral considerations, which are less likely to be evident in official documents than ideological or institutional considerations. While acknowledging the drawbacks of interviews, Lilleker (2003, p. 208) notes that they can provide information on decision-making processes which is unlikely to be available in government records or newspapers. Informal conversations are not likely to be recorded, but a respondent can recall them in an interview. Even where minutes of discussions are available, civil servants responsible for producing official records are unlikely to be explicit in recording party-political motivations for decisions, requiring inferences to be drawn by the researcher. By asking tailored questions in interviews, there is the possibility of gaining direct insights into calculations outside of the public eye.

However, we should not overlook the limitations and dangers of elite interviews for a thesis concerned with the history of policy-making. Firstly, interviewees who are former politicians or their advisers are unlikely to directly admit to making public policy based on political self-interest rather than genuine policy goals. In the case of institutional

considerations, the same may apply for public officials as well as politicians. Whereas a researcher can make inferences from indicators of motivations within archival sources, the same is not true of interviews where the contrary impression is actively provided. Unless interviewees are comfortable sharing self-interested motivations and think of their actions as political retrospectively, the utility of interviews is limited relative to archival documents for evaluating the significance of electoral politics and institutions as well as ideology. Recounting the unwillingness of lobbyists to criticise their own organisation and their tendency to embellish their closeness to power, Berry (2002, pp. 680-681) warns that bias can be inconspicuous and difficult to identify, creating problems of exaggeration, omission and general unreliability in interview accounts. Considering a single interview on its own, it may be impossible to recognise either exaggeration or omissions. Secondly, at a distance of just under three decades to over four decades from the events of 1975 to 1990, interviewees may fail to recollect the contents of discussions (or indeed even having discussed a particular matter) from memory. This problem is fundamental and particularly acute for a thesis concerned with policy detail rather than politics in more general terms. Lilleker (2003, p. 212) argues that, while it is uncommon for respondents to make deliberately false statements, it can be straining for any person to correctly remember specifics from a long time ago, meaning that even those facts which are supposedly recalled may be incorrect. Lilleker (2003, p. 212) further argues that interviews should not be used as the sole source of evidence for any crucial fact. Likewise, Richards (1996, p. 196) counsels against basing studies solely on interviews. Given the limitations of interviews for researching historical policy detail, the thesis primarily relies on archival data with interview data only as a supplementary source.

The purpose of the interviews for this thesis was therefore gaining perspectives on decision-making by senior Conservatives from individuals with first-person knowledge of policy-making. Interviewing retired civil servants as well as partisan participants was deemed a priority, on the basis that officials may be more willing to divulge all possible motivations without any direct party interest. With the decision to use archival sources to provide the mainstay of the evidence, and considering research time and resources, it was not necessary to conduct the same number of interviews as would be required if they were intended to provide core information about decisions within each policy area. Instead, a smaller number of interviews provided overarching context.

Non-random probability sampling was used to identify the interviewees for this thesis. The interviewees were selected based on the researcher's judgement rather than

randomly selecting members of a given population. The literature recognises that different modes of sampling can be suitable depending on the nature and objectives of the research project. Tansey (2007, pp. 768-769) argues that that non-random probability sampling (any methodology where there is no specified probability for selecting each member of the population) is particularly suitable when interviews are intended to reconstruct political events; this is because the interviewees should generally be those who are best placed to provide information about the events. For this thesis, the aim is to understand which factors influenced decision-makers, which requires interviewees who were close to strategic political discussions and/or policy-making by senior Conservatives. While the majority of invited interviewees declined or did not respond (including five former cabinet ministers), five key individuals kindly agreed to be interviewed: Michael Jopling (Government Chief Whip from 1979 to 1983 and Minister of Agriculture, Fisheries and Food from 1983 to 1987), Stephen Sherbourne (Thatcher's Political Secretary from 1983 to 1987), Robin Butler (Thatcher's Principal Private Secretary from 1982 to 1985, Second Permanent Secretary of the Treasury from 1985 to 1988 and Cabinet Secretary from 1988), Andrew Turnbull (Thatcher's Economic Affairs Private Secretary from 1983 to 1985 and her Principal Private Secretary from 1988) and Tim Lankester (Thatcher's Economic Affairs Private Secretary from 1979 to 1981), consisting of one cabinet minister, one special adviser and three officials. These interviews offered rich perspectives on decision-making, complementing the evidence pertaining to individual policy decisions contained within archival material. Each interview quote included in the thesis has been approved for use and attribution by the interviewee.

A semi-structured interview format was selected in order to ensure that the key themes are covered while providing the opportunity to seek further information based on the interviewees' responses. In practice, this format involved writing a list of scheduled questions in advance, as well as preparing to ask supplementary questions in the course of the interview. Burnham et al. (2008, p. 240) suggest that a list of topics might be used instead of a list of questions for semi-structured interviews. However, in my previous experience of elite interviewing, I found it beneficial to use a list of numbered questions so any highly specific issues arising from archival documents can be raised. Leech (2002, p. 667) suggests using a 'Grand Tour' question which involves asking the interviewee to describe their typical day or working environment. While such questions are well-suited to interviewing current politicians and civil servants, a slightly different approach is needed for conducting elite interviews with historical figures who are no longer currently situated

within the policy-making process. Nonetheless, including a standard 'Grand Tour' question (about the previous working experiences of the interviewees) was necessary to gain insight into the decision-making process, alongside questions intended to assess their personal involvement. The ordering of the questions was designed to put the interviewees at ease before reaching the most sensitive topics. Leech (2002, p. 666) recommends that questions which might be threatening or upsetting should not be asked near the beginning of an interview. As such, the chosen sequencing was for interviews to begin with biographical questions before moving to the core issues. This approach to composing the questions was suitable as a way of obtaining relevant information from the interviewees.

2.5. Conclusion

This chapter presents a theoretical framework for assessing explanations for Conservative policy-making under Thatcher's leadership. The chapter also demonstrates that the policy areas chosen are useful for evaluating ideology, electoral politics and institutions. By evaluating expectations as to why and when each independent variable determined policy, the thesis is able to form a more complex and systematic argument, using the empirical evidence, about the relative significance of ideology, electoral politics and institutions. The framework also offers an opportunity to develop political-science literature on the Conservatives under Thatcher by exploring propositions related to arguments in the comparative literature. Some propositions point in the opposite direction to the findings of the existing Thatcherism literature, such as the expectation that the significance of ideology in policy-making will decline with the longevity of tenure (as Thatcherism is viewed as becoming more coherent with time by Jessop et al. 1988; Dolowitz et al., 1996; Kerr and Marsh, 1999). Other propositions based on the comparative literature are aligned with existing research on the Thatcher governments, such as the expectation that the salience of electoral considerations increases towards the end of a government's mandate (given the finding that the Conservatives manipulated monetary policy before the 1987 General Election by Whiteley and Clarke, 1990). In either case, this thesis can make a contribution by contextualising and testing the findings of the Thatcherism literature within a broader framework, using a large quantity of previously-unused archival data. The process of evaluating the propositions also enables the thesis to consider the validity of comparative knowledge against an in-depth analysis of a single government. While it is unlikely that the conclusions of a quantitative study spanning multiple countries could be credibly

discounted based on a qualitative study of one government, this thesis may highlight issues where positions in the comparative literature are inconsistent with the experience of Thatcher's leadership. The framework will be useful for engaging with both Conservative policy-making under Thatcher specifically and the role of ideology, electoral politics and institutions in the abstract.

Additionally, the political research methodology outlined in this chapter illustrates the benefits of archival research for political-science studies of historical policy-making. Utilising the archival evidence in this way fulfils a need for a reassessment of older politicalscience interpretations composed without archival sources. This thesis links archival evidence of the motivations behind policy decisions to central debates about the nature of Thatcherism. Taking into account the range and detail of archival evidence available about the Conservatives under Thatcher's leadership, archival research is well-equipped to support analysis of historical policy discussions in this case, provided that appropriate scepticism is maintained when studying individual documents and that multiple sources (whether alternative archival collections or other types of source) are used overall to compensate for possible biases in the motives revealed by particular collections. Archival documents offer the most comprehensive source available for studying the detail of Conservative policy-making in this period, so analysis of archival material forms the bedrock of each empirical chapter. However, memoirs and elite interviews can provide evidence about the general perspectives of policy-makers and the circumstances in which policy is made, as well as in some cases evidence regarding specific policy decisions. Through combining archival sources with other documentary sources and elite interviews, this thesis is able to study and compare a range of evidence about what politicians were thinking in private when they made policy choices.

Chapter 3: Economic Management

3.1. Introduction

This chapter studies Conservative policies regarding national economic management, in particular fiscal and monetary policy decisions. Given the central importance of economic policy, and the relationship between political and economic ideology, it is unsurprising that classic accounts of Thatcherism give significant attention to economic issues (Hall, 1983; Bulpitt, 1986; Clarke, 1988; Jessop et al., 1988; Gamble, 1994). This scholarship was completed without archival research. The same limitation applies to contemporary or near-contemporary work focused on economic policy (Keegan, 1984; Johnson, 1991; Jackson, 1992; Smith, 1992; Thompson, 1996). Relevant historical studies have emerged more recently (Tomlinson, 2007; Tomlinson, 2012; Hotson, 2014; Needham, 2014a; Needham, 2014b; Williamson, 2015). However, these accounts have tended to focus almost exclusively on Thatcher's earlier years as leader and, in any case, do not systematically apply or evaluate political concepts. This chapter therefore makes a contribution to understanding economic management under Thatcher's leadership by using archival evidence to evaluate the role of ideological, electoral and institutional considerations in policy-making from 1975 to 1990.

The chapter argues that, although policy-makers expressed and held strong beliefs about economic policy, ideological considerations generally were not the prime factor behind economic policy decisions. Compared to before 1979 and after 1980, ideological considerations were relatively more influential (though still did not dominate) from May 1979 to autumn 1980, when Conservative politicians deprioritised some of the political challenges they faced in opposition but had not yet fully responded to the institutional and electoral constraints of government. Institutional considerations (including bureaucratic actors and the international economy as an external constraint) were most important in shaping fiscal and monetary policy during the Thatcher governments (particularly on questions concerning the relationship between interest rates and the exchange rate). In opposition, as well as at moments of political danger or close proximity to the next general election when in office, electoral factors were central to decision-making.

The first section discusses the content of New-Right ideology in respect of economic management. The section argues that we must consider both the liberal and conservative tendencies identified by Gamble (1994). The second section argues that

electoral considerations were most important to Conservative economic policy in opposition. This required the Conservatives to present an outwardly credible counterinflationary strategy whilst maintaining party unity. Ideas advocated by sympathetic economists were utilised for this purpose, but no ideological programme was adopted wholesale. In addition, institutional challenges in government were anticipated and policy was adapted accordingly. The third section argues that the reversal of monetary policy (intended to arrest sterling's appreciation) in the November 1980 Autumn Statement and the March 1981 Budget represented the triumph of electoral and (especially) institutional considerations over ideological considerations. The trajectory of fiscal policy during Thatcher's first term (particularly the balance of tax rises and expenditure cuts) was also driven by institutional and electoral factors. The fourth section argues that both fiscal and monetary policy were detached from ideological considerations in Thatcher's second term, with significant changes in personal taxation not enacted until they were electorally useful in 1986 and 1987. Monetary policy was driven by Lawson's strategy of targeting the exchange rate (strengthening external institutional constraints), to the point where references to the money supply in government policy documents were privately acknowledged as ornamental. The fifth section, addressing 1987 to 1990, contends that monetary policy-making was dominated by debates over institutional frameworks, especially whether to join the Exchange Rate Mechanism (ERM), although political difficulties intervened and elevated the role of electoral considerations. To the extent that radical policy change occurred in fiscal policy, bold policy content was not matched by ideological motivation, with tax changes in the 1988 Budget stemming from Lawson's legacy-building and electoral politics more than any collective ideological programme.

3.2. Operationalisation of New-Right Ideology

When considering Conservative economic management, both the liberal and conservative halves of New-Right ideology are relevant, although the former is most obviously applicable to this policy area. In assessing the role of economic liberalism, a key question is whether an overarching belief in free markets was the key motivation. Underneath free-market rhetoric, the New Right's economic thought spanned a range of objectives, including monetary control, supply-side economics, taxation reform, fiscal conservatism (particularly aversions to high public borrowing and expenditure), market deregulation and the expansion of private ownership (Gamble, 1994, p. 45). While noting the diversity of the

tendencies contributing to these proposals, Gamble (1994, pp. 45-46) argues that New-Right thinkers collectively offered a rational and coherent economic approach. For Gamble (1994, p. 46), hostility to constraints placed on markets under social democracy was a core principle of the New Right and addressing these constraints led to specific policies such as 'sound money' and a small-state approach to fiscal policy. Sharing a similar focus on the fundamental principles which underpinned a broad spectrum of policies, Bleaney (1983, p. 137) argues that Thatcherite economic policies were rooted in free-market convictions rather than technical analysis about the effectiveness of policy instruments, dismissing concerns that the rhetorical justifications for Thatcherite solutions lacked credibility. Thus, belief in free markets is pinpointed as a common intellectual factor which is said to unify different approaches which might otherwise seem inconsistent. In assessing the significance of ideological considerations, this thesis will consider the extent to which economic policy was influenced by a general commitment to free-market capitalism.

Yet whether different aspects of liberal economic thought can be classified as parts of a single coherent free-market ideology is contestable, at least in the context of Thatcher's leadership. It is also necessary for this thesis to distinguish the influence of specific principles when evaluating the significance of ideological considerations.

Williamson (2015, pp 52-53) contrasts the inflexibility of the market liberalism associated with Enoch Powell and the IEA (advocates of a smaller state and non-intervention) before the 1970s with the emphasis on fiscal restraint and tighter monetary control pursued by Healey as Labour Chancellor from 1975 (creating a starting position from which the Conservatives would likely follow). Williamson (2015, pp. 55-57) notes a lack of consistent Conservative support for specific monetarist variants (with many of Friedman's particular arguments being doubted by 'monetarists' such as Lawson) and that the Conservatives moved to back supply-side reform alongside mainstream economists. Williamson's research on Conservative economic policy-making from 1964 to 1979 casts doubt on whether ideas embraced early in Thatcher's leadership stemmed from a predisposition to free markets.

This thesis should also evaluate evidence that the conservative (or, in some interpretations, authoritarian) dimensions of New-Right ideology affected economic policy. In conceptualising the New Right's conservative tendency, Gamble (1994, p. 63) notes that their thought is less well-organised than their liberal counterparts and points to rhetoric about the enemies of a moral society (within and without a given country) as a central feature. Thatcher's well-known reference to her opponents in the 1984 Miners' Strike as

the 'enemy within' at a July 1984 1922 Committee meeting is an example of this in a domestic economic context (Thatcher, 1984). Gamble (1994, p. 66) lists strikers as among the internal enemies that conservatives regarded as undermining state authority, but also points to American neo-conservative alarm about the influence of a new social group composed of public sector workers and left-wing intellectuals in the operations of the state. These principles might imply support for lower public expenditure (especially on public sector employment) and macroeconomic policies which do not depend on the compliance of sectional (particularly labour) interests. Sutcliffe-Braithwaite (2012, p. 508), whose interpretation stresses Thatcherism's moralistic character, highlights that Conservatives (particularly Lawson) rejected tax credits on the grounds that they reduced labour incentives, leading to idleness and dependence. In evaluating ideological influence on fiscal and monetary policy, not only market liberalism but also tenets of intellectual neoconservatism should be viewed as parts of New-Right ideology.

3.3. Opposition

3.3.1. Ideology

As maintaining a united front was prioritised in opposition, the radicalism of Conservative macroeconomic policy was consciously suppressed. In this respect, lack of governing party status made Conservative policy less ideological in opposition than it might otherwise have been. Thatcher and Geoffrey Howe (as Shadow Chancellor of the Exchequer) tolerated compromises that they would not preserve when actually implementing policies during their first year in office. Caines (2011) frames divisions in Conservative opposition policy as being between ideology and pragmatism. Yet One-Nation Conservatives possessed ideological preferences in the same manner as those that we would now term Thatcherites. The latter meanwhile were prepared to make policy pragmatically. Economic policy debates in opposition are better understood as being between different schools of Conservative thought, with political factors (particularly party unity) leading to policies with a degree of mutual assent. On counter-inflationary policy, a divide existed between supporters of incomes policies and monetary control. This required compromises to establish a unified message. At the party's Steering Committee in May 1975, Reginald Maudling (Shadow Foreign Secretary) 'emphasised that he was in favour of cutting public expenditure, not because he thought that this would have much effect on wage inflation,

but because it would release resources for the hardpressed private sector.' (CRD, 1975b). Maudling rejected monetarist reasoning while selecting an alternative ideational basis for concurring with Thatcher's policy. In the same meeting, 'Mrs. Thatcher said that she had been encouraged by the virtual unanimity on the issue at the Business Committee the previous Wednesday attended by about 100 M.P.s. While few wanted a statutory pay freeze, almost all would be prepared to support an indexed freeze if it restored confidence in sterling.' (CRD, 1975b). Thatcher expressly welcomed near-unanimous support for a pay policy, despite her own scepticism. Each side moderated its stance to maintain a common position. Similarly, at an April 1976 Shadow Cabinet meeting, it was settled that 'Members should argue that incomes policy by itself was not enough to restore a long term balance in the economy.' (CRD, 1976c). This formulation argued that incomes policies alone were insufficient, but did not reject continuation of incomes policies or adopt a position on the relationship between wages and inflation. This mollified adherents of both incomes policies and monetary control. The existing literature recognises that disagreements led to a middle ground (Hotson, 2014, p. 130; Williamson, 2015, pp. 112-115). Undoubtedly, Thatcher and her allies were unhappy with compromises. Faced with a paper summarising several aspects of economic policy from Adam Ridley (Economic Adviser to the Shadow Cabinet and Deputy CRD Director) in June 1978 (when an election was suspected to be imminent), within which Ridley argued 'we could well unsettle many people who would otherwise vote for us if we do not show some awareness of and sympathy for the idea that it is a duty of Governments to play some part in' pay settlements, Thatcher scribbled 'Red Socialism' at the top of her copy (CRD, 1978b). Yet such feelings did not lead to the Conservatives unequivocally embracing fundamental alternatives before 1979. Policy decisions were less radical than Thatcher's own views precisely because she recognised that party unity and securing power required compromise.

Right-wing economists supplied intellectual justifications for Conservative rhetorical and policy choices. Contact between the Conservatives and monetarist economists was directed towards identifying viable political arguments more than policy selection. In this sense, the significance of ideological considerations was instrumental rather than causal. Monetarist input enabled Conservative politicians to rationalise policies which may have otherwise seemed incoherent, in particular support for cutting expenditure as a route to achieving monetary control. At a meeting chaired by Thatcher on monetary policy in March 1975, the month after she became leader, the economist Alan Walters argued 'that much of what he had to say about the money supply also applied to

the financial deficit of the public sector. There was a close correlation between the two' (Conservative Party, 1975). Walters, as early as March 1975, identified the relationship between money supply and government borrowing which would become critical to the MTFS once the Conservatives entered government. This logic enabled Conservative rhetoric on monetary control to complement a wider attack on the role of the state. Likewise, the economist Alan Budd was invited to a January 1976 meeting of the Economic Reconstruction Group, where he argued that the inflexibility of the public sector 'meant that the burden of making adjustments fell disproportionately on the private sector', providing a rationale for cutting public expenditure alongside a monetary contraction (CRD, 1976a). In relation to the 1980s, Allan (2008) argues that, rather than neo-liberal economists persuading Conservatives to embrace the cause of free-market economics, Thatcherites proactively selected and refined economists' ideas where these were compatible with the Conservatives' pre-existing views. This thesis finds a similar phenomenon in the opposition period. The contribution of figures such as Walters and Budd provided the necessary technical arguments for right-wing Conservatives to advocate policies with which they were most instinctively comfortable, turning monetarist rhetoric into a political weapon.

Leading Conservatives were not unfamiliar with broader ideological antecedents, but classic neo-liberal thinkers were less relevant than individual monetarist economists in Britain. Insofar as a global ideological struggle was a factor, Thatcherites worried about public opinion as much as policy. In particular, Keith Joseph (who was delegated overall charge of Conservative policy-making) and Howe feared societal acceptance of Keynesian economics. They aimed to combat this by promoting alternative economic philosophies. In March 1976, Joseph wrote to William Whitelaw (Deputy Party Leader), copied to Thatcher and Howe, complaining that the BBC had invited Kenneth Galbraith to give talks on economics, observing that 'Galbraith is about the most dangerous intellectual opponent that we have on the economic front' (Joseph, 1976). Howe responded that 'The proper balance to Galbraith might be provided by a series of talks from Hayek or Friedman.' (Howe, 1976a). Howe and Joseph regarded their economic philosophy as grounded in a wider ideological contest. However, in justifying the variant of monetarism that the Conservatives ultimately advocated and sought to implement in office, contact with British academics such as Walters and Budd was more relevant than the aspiration to deploy Hayek or Friedman as public intellectuals against Galbraith.

Finally, there is little evidence that party members contributed to forming economic policy in opposition. This suggests that party activists' views were not critical to the relationship between ideology and policy. To the extent that party management was a concern, a greater focus was assuaging the concerns of One-Nation politicians as discussed above. In Thatcher's memoirs, she recalls that 'most of the party in the country accepted my leadership only on sufferance' when she was first elected in February 1975 and that this was a burden for Peter Thorneycroft as Party Chairman to manage (Thatcher, 1995b, p. 291). This suggests that, if Thatcher was elected by Conservative MPs seeking a rightward economic shift as Wickham-Jones (1997) argues, those MPs were not responding to grassroots pressure. That Thatcher regarded members' views as a problem for Thorneycroft to manage indicates members' weak role in policy-making, given Thatcher's own proactive efforts to managing economic policy dissent among senior colleagues. Thatcher's memoirs later reveal that, at her first conference speech as leader, the positive reception she received after speaking about economic liberty 'struck me as genuine' and that 'The representatives on the floor were hearing their own opinions expressed from the platform' (Thatcher, 1995b, p. 308). Even assuming that we can trust her impression of the conference, this does not show that Thatcher's economic approach was influenced by members, but rather that the delegates present reacted well to her pre-conceived views. While it is possible that Thatcher's leadership was a symptom of a wider feeling within the party, there is less evidence that members' views shaped policy decisions.

3.3.2. Electoral Politics

Electoral considerations influenced Conservative economic policy-making from the earliest stages of Thatcher's leadership. The context that Thatcher faced on becoming leader brought politics to the fore and suggests that fresh memory of electoral losses may elevate electoral considerations, revealing a qualification to the generalisation that sensitivity to electoral factors is greater towards the end of a parliamentary term. The experience of two election defeats in 1974 pushed the Conservative leadership and its supporters towards a counter-inflationary strategy founded on monetary control and rejection of trade union power. In November 1975, at a meeting of the Economic Reconstruction Group (the frontbench's sub-committee for economic policy), the MP David Howell 'felt that a major pre-election task was to gradually overthrow the popular view that the Conservatives could never work effectively in the face of union opposition' (CRD, 1975e). In the same

discussion, Howe referred to the danger of 'political and industrial pressure by trade unions' leading governments astray from 'monetary continence' (CRD, 1975e). In the aftermath of the 1974 elections, the discussion recognised that a significant political challenge was persuading the public that the Conservatives did not need union support to govern and confirms that 'monetary continence' was regarded by Howe as an alternative focus for counter-inflationary strategy. Such a framing provided grounds for selecting a policy which rejected the necessity of trade union cooperation. This evidence accords with the interpretation advanced by Bulpitt (1986) that the Conservatives adopted monetarist economics to demonstrate that they could govern competently without union support. Economic policy was influenced by an early preference for monetary control, over reliance on trade-union goodwill, as the most viable strategy for securing and retaining power.

While attention to electoral politics was a feature of Thatcher's tenure from the start, proximity to the next election in 1978 and 1979 altered the way in which electoral factors affected policy selection. This highlights a distinction between strategic electoral considerations, which influenced policy from 1975 onwards, and the policy implications of tactical choices related to presentation and the conduct of the campaign. At a working lunch chaired by Joseph in February 1976, 'Sir Geoffrey Howe felt that we simply had to say that real standards of living must fall while the economy was being restored' (CRD, 1976b). Ridley was concerned that embracing falling living standards 'would be electorally extremely difficult, particularly in the context of five yearly parliaments', thinking of the next parliamentary term as well as immediate political prospects (CRD, 1976b). Joseph 'felt more optimistic here; he was confident that many floating voters would behave responsibly' and accept falling living standards (CRD, 197b). Desire for electoral victory featured in this policy discussion, but it was viewed from a long-term perspective. Ridley's advice focused on the strategic risk of falling living standards, while Joseph judged that voters would look beyond their material welfare. At this stage, their debate was essentially theoretical.

Later in opposition, electoral considerations directed Conservative policy-makers towards developing a feasible policy message which the public would find convincing. Peter Cropper, a CRD official, wrote to Ridley, in a December 1978 memorandum copied to Howe, criticising confusion in their taxation policy, arguing 'It looks to me as if, starting from here, we will have very little money to "give away" initially in broad brush tax cuts'; he further lamented that, 'we have missed the boat. If the Party's publicity machine had been working properly two years ago, there is no limit to what could have been done by

presenting Labour as the party of heavy and <u>rising</u> taxation'. (Cropper, 1978). Whereas in 1976 a general policy of halting Labour tax rises would have been plausible, Cropper argued that this was no longer so and that 'Today's message is quite different: it is the more traditional Tory one of widening differentials, enabling people to save, encouraging enterprise.' (Cropper, 1978). Proximity to the next election did not create a rush towards vote-seeking commitments, but constrained the Conservatives to focus on options carrying public credibility.

In opposition, Conservative policy-making was significantly affected by changes in the government's popularity. One of the expectations proposed in the previous chapter (that parties are more likely to focus on electoral politics following a mid-term fall in government popularity) should refer to a rise in the government's popularity for a party in opposition. In her memoirs, Thatcher recalls that '1978 had all the makings of a politically difficult year' for the opposition (Thatcher, 1995b, p. 409). Faced with falling inflation and an upturn in government popularity from late 1977 to autumn 1978, Conservative policymakers re-focused on public expenditure in locating an opening to attack Labour. In December 1977, a paper for the Conservative Party's Strategy and Tactics Committee by Chris Patten (CRD Director) proposed that 'We should argue that Labour have only done the negative things needed to save the economy from catastrophe, and that a Conservative Government would do the positive things that would get the "real economy" moving again.' (Patten, 1977). This approach was evident in Thatcher's response to the April 1978 Budget where, after dismissing Labour's progress on inflation, she critiqued that 'the whole of the right hon. Gentleman's strategy has been to take more of the nation's income to be spent by the Government' (House of Commons, 1978b). In private policy discussions, the Conservatives gave attention to imposing spending restraint. In March 1978, a CRD paper advocated a pledge to hold real-terms public expenditure constant, observing that 'Previous notes by CRD have established that a pledge to keep the level of public spending constant in real terms would:- i) give us considerable flexibility, ii) allow us to make substantial tax cuts, and iii) satisfy political pressures on us', before proceeding to outline different definitions of keeping spending constant (CRD, 1978a). This identifies that a spending pledge would 'satisfy the political pressures' the Conservatives were experiencing at that time. Faced with a resurgence in Labour's popularity, electoral considerations prompted the Conservatives to focus policy-making on public expenditure control where they perceived Labour to be vulnerable.

3.3.3. Institutions

Conservative economic policy-makers were suspicious of what they perceived as the dominant intellectual trends within the Treasury and the Bank of England. In opposition, they were conscious of views expressed by serving officials and identified institutional opposition as an obstacle. The Conservative leadership believed the Treasury and the Bank had failed to grasp new economic doctrines. In February 1978, Douglas Wass (the Treasury's Permanent Secretary) delivered a lecture urging markets to attach less importance to the government's monetary targets (Davies, 2017, p. 210). Afterwards, Ridley advised Thatcher that 'There is something very odd about the way in which Wass has allowed his somewhat patronising attitude to the need to retain financial confidence to emerge in this lecture' (Ridley, 1978). Writing to Thatcher, Joseph praised Ridley's note as 'an admirable Minute – and very alarming in its analysis of the attitude of Wass' (Joseph, 1978). Wass subsequently wrote to Howe seeking to assuage Conservative concerns (Wass, 1978). The assessment provided to Thatcher by Ridley (1978) also criticised the attitude to the money supply exhibited in the Mais Lecture delivered by Gordon Richardson (the Bank's Governor) in the same month, albeit less harshly, characterising Richardson's argument as 'a little less easy to interpret' and observing that, 'A strict monetarist might well be made anxious both by the endorsement of the Government's present incomes policy and by a number of sceptical observations about the effects of monetary policy'. Richardson's Mais Lecture triggered a letter from Lawson (then a member of Howe's frontbench team) to Richardson highlighting the speech's intellectual tensions and insisting that there could be no role for demand management 'more than ensuring that necessary changes in the rate of monetary expansion are gradual' (Lawson, 1978a). Jim Buller and I reference Ridley's note to Thatcher and Lawson's letter to Richardson in an article highlighting absence of trust as an explanation for repeated Conservative decisions under Thatcher and Major to reject Bank independence (Buller and Whisker, 2020, p. 8). Apart from lack of trust in the Bank, the remarks in Ridley's note and Joseph's reaction confirm the firm disagreement that they felt with the views of Wass. Conservative policy-makers regarded themselves as proponents of monetary control and the Treasury's top official as a sceptic. In this vein, before the 1979 General Election, Howe wrote to Thatcher relaying a businessman's opinion that Wass 'still did not fully understand the causal link between monetary supply and inflation', though 'would be readily prepared to maintain our will'

(Howe, 1979a). The Conservatives were uneasy about state economic policy-making institutions.

In anticipating disagreement within the Treasury, Conservative politicians judged that new voices were required within official circles. In particular, for filling the impending vacancy in the Civil Service post of Chief Economic Adviser, Lawson recalls in his memoirs that 'My own view was that the job could be done effectively only by somebody who sympathized with the new beginning initiated after the election, but who understood more mainstream ways of thinking and could command the respect of Treasury economists. Well before the 1979 election I had come to the conclusion that the best bet was probably Terry Burns' of the London Business School (Lawson, 1992, p. 51). Burns would ultimately be appointed in 1980 and later became the Treasury's Permanent Secretary. Given concerns about the Treasury's institutional norms, the Conservatives were actively thinking about appointments to establish their authority over economic policy.

Conservative policy towards the European Monetary System (EMS) was fettered by both what they perceived as the disinterest of the incumbent British government and unwelcome decisions by the leading European Economic Community countries (West Germany and France). In spite of significant concerns (including among later ERM advocates), leading Conservatives regarded expressly rejecting the EMS as untenable because it would isolate future Conservative governments in policy formation at the European level. Writing to Thatcher in October 1978, Lawson advised that 'my own view is that we should avoid committing ourselves to any firm position on the EMS for as long as possible. For a happy few Eurofanatics and Europhobes this is a clear-cut issue [....] For most of those [...] who have taken the trouble to study the matter, it is a hideously complex and awkward issue, both economically and (more important) politically' (Lawson, 1978b). This placed economic and especially political factors above ideological considerations. In particular, Lawson complained about the lack of any British initiative in Europe to date, arguing that 'the only European initiative on the table is one designed by Germany and France, which undoubtedly presents the UK with a number of difficulties, and to which we are obliged to react' (Lawson, 1978b). Subsequently, Howe wrote to Thatcher outlining a consensus from a meeting with colleagues (including Lawson) that 'We should pronounce in favour of the EMS – not as the ideal way ahead, but nevertheless to be welcomed for providing greater currency stability and encouraging convergence of economic policies.' (Howe, 1978). Compared to Lawson's position, the recommendation communicated by Howe favoured a more positive stance. However, Howe and Lawson's advice shared a

rationale, namely concern that European integration should not be dictated by France and Germany. Howe told Thatcher, 'The political case for this conclusion is a strong one: the alternative means surrendering the direction of the EEC and its policies to the Franco-German high table.' (Howe, 1978). Senior Conservatives countenanced adopting an externally-driven agenda over which they had no input, in order to maximise the possibility of future influence over that external agenda. External institutional constraints proved central to policy-making on European monetary integration.

Before entering office, Conservative economic policy was influenced by a perception that British capitalism was in crisis and that middle-class interests were threatened as a result. This highlights the role of the structure of British capitalism and social class (as interpreted by politicians) as institutional forces affecting Conservative policy-making. In November 1977, Richard Bull (a vice-chairman of the Greater London Young Conservatives) wrote to Howe criticising hostility to government expenditure (Bull, 1977). Advising another CRD member on drafting the reply, Ridley (1977) rejected Bull's international comparisons, arguing 'The Party's position does not begin with an inspection of the level of public expenditure or taxation in this country and the observation that such levels are higher than elsewhere. The fundamental diagnosis is about a process.' Summarising their actual stance, Ridley (1977) stated, 'Put in the crudest terms, we are now asserting that rising public spending – in total and not just on goods and services – has caused wage inflation, declining profitability and entrepreneurial demoralisation.' References to 'declining profitability' and 'entrepreneurial demoralisation' suggest that Conservative policy-makers were conscious of the crisis of profit noted by Clarke (1988) and wanted to address this. Conservative policy was partly a response to economic trends perceived to threaten the success of capitalism as a system.

Similarly, class-based motivations still existed among Conservative policy-makers. We should disregard Conservative public claims dismissing the notion that class affected their policy thinking. In a May 1978 speech to the Bow Group, Thatcher lamented that ideological allies 'often accepted the argument of their enemies that the dominant issue in politics is a matter of social class. Policies with that as a basis are both divisive and meaningless.' (Thatcher, 1978a). This rejected the connection between class and policy. Yet reality was more complicated. In a letter to Howe in August 1976, Howell argued that, 'One of the chief resentments of professional people and skilled workers in middle income groups is that they have been totally excluded from consultations on pay policy. So far, the Conservative Party has not been a very effective force on their behalf' (Howell, 1976).

There was no perfect translation from middle-class interests to Conservative policy, as was reflected in Howell's complaint that 'the Conservative Party has not been a very effective force on their behalf' (Howell, 1976). Yet Howell's argument shows acceptance that the Conservatives should (in part at least) be a 'force on [the] behalf' of middle-class interests, specifically 'professional people and skilled workers in middle income groups' (Howell, 1976). This indicates a greater role for class than is suggested by Thatcher's beliefs about class distinctions being 'both divisive and meaningless' (Thatcher, 1978a). The socioeconomic environment was an influence on Thatcher's early leadership.

3.4. First Term

3.4.1. Ideology

If the Conservatives' first year in office is considered alone, macroeconomic policy provides scant support for the proposition that governing party status curtails the importance of ideology for policy-making. Compared to the opposition years, the role of ideological considerations was heightened in the formation of Conservative economic strategy in the period up to and including the first half of 1980. The immediate effect of entering government does not appear to have reduced the salience of ideology. Policy aims were more radical than foreshadowed by the Conservatives' pronouncements before May 1979. In a memorandum for the Cabinet, advocating publishing monetary aggregates alongside targets for the public sector net borrowing requirement in the MTFS in March 1980, Howe as Chancellor of the Exchequer observed that 'Since the Election we have only succeeded in stopping the rot we inherited. To achieve positive success our policies must do more.' (Howe, 1980b). While this note reveals concern about political impressions of success and failure, it also reflects a desire to enact a positive vision based on ideological beliefs. Ideology was not the sole factor, but it mattered in this instance. The radicalism of Howe's position is reinforced by the prior objections of John Biffen, Chief Secretary to the Treasury. In a note to Howe earlier that month, copied to Thatcher, Biffen claimed that the MTFS rested on presuming 'some mechanistic relationship' involving the variables specified therein and objected that 'I do not believe such a relationship can be thus demonstrated.' (Biffen, 1980a). Lankester (Thatcher's Economic Affairs Private Secretary from 1979 to 1981) does not remember the note but comments in his interview that 'I think John Biffen was influenced by Douglas Wass, who was the Permanent Secretary, who had serious

doubts about the publication of the MTFS. He thought it would chain the government unnecessarily and unwisely to particular numbers' (Lankester, 2018). Howe's decision to overrule Biffen and Wass's pragmatic objection reflected monetarist influence on economic policy in the first half of 1980. By contrast, in opposition, the Conservatives had avoided constraining themselves rigidly to money supply targets. In particular, Conservative policy discussions entertained the use of prices and incomes controls to control inflation in 1976 and 1977, emphasising the money supply was important but should not be the sole instrument of counter-inflationary policy (Williamson, 2015, pp. 115-117). The 1979 Conservative Manifesto aligned closely with the Callaghan government's monetary policy (Needham, 2014a, p. 134). The targets in the MTFS represented an advance on that position, pursued despite doubts within the Treasury. The Conservatives went further on monetary policy after entering office than they had committed to do beforehand.

The shift in economic policy motivations from the second half of 1980 to the 1983 General Election supports the propositions that ideology becomes less significant over time and that the experience of governing decreases the relevance of ideological considerations. The Conservative retreat from a tight domestic monetary policy (in favour of fiscal contraction and aligning monetary policy to the exchange rate), was underpinned by the abandonment of a doctrinal monetarist approach and the increased influence of institutional and electoral concerns. This change was manifested in the March 1981 Budget, which set the course for macroeconomic policy for the remainder of Thatcher's first term, but can be traced to discussions preceding the November 1980 Autumn Statement (Collins, 2014, p. 110). On one level, if we were to focus on policy content, the choice of greater reductions in public expenditure as an alternative approach was consistent with Thatcher and Howe's ideological preferences. In her memoirs, Thatcher records that the spending reductions culminated in 'one of the bitterest arguments on the economy, or any subject, that I can ever recall taking place at Cabinet' at the July 1981 meeting and culminated in the September 1981 reshuffle where she fired or demoted more left-leaning ministers, such as Ian Gilmour and Jim Prior, who disagreed with further spending cuts (Thatcher, 1995a, pp. 147-153). The government changed monetary policy, but was ideologically divided on public expenditure and those seeking a more radical approach won out. Yet reading this as a triumph of ideology would focus too much on the divisions between Thatcher and dissenting ministers, rather than considering why Thatcher and Howe turned against monetary contraction. The context was Thatcher's deep unease about the damaging effects on industry of a high exchange rate, combined with a deterioration in the

government's political prospects. In his interview, Lankester recalls that Thatcher wanted to control the money supply to counter inflation in principle, but that 'when she was advised that this could only be done with a sharp increase in interest rates, that was something she found difficult to accept or appreciate.' (Lankester, 2018). Lankester also observes that 'she was very unhappy with the contradiction, but she thought that economic policy perhaps could be done differently, but she didn't have any solutions' (Lankester, 2018). The eventual decision to reverse monetary strategy should be seen in light of this policy contradiction. Forsaking a macroeconomic policy driven by money supply targets reflected the incoherence at the heart of Thatcherite economic thinking.

The delayed effect of governing party status, as well as the shift towards a longterm trajectory where the role of ideology was secondary, is demonstrated by the turning point in late 1980. In this instance, the significance of ideology was inversely related to the power of institutional constraints. Ahead of the Autumn Statement, a crucial meeting was held between Thatcher, Howe and Wass in November 1980, recorded by Downing Street in a letter to the Treasury (Lankester, 1980). This followed a paper by Wass requested by Thatcher on options for relieving the industrial environment, in which Wass argued that 'the exchange rate has appreciated much more than we expected' and outlined six options to remedy this, namely inflow controls, a moderate cut in interest rates, a larger cut in interest rates, 'an explicit exchange rate policy', tax changes to assist businesses and an incomes policy (Wass, 1980). In the meeting, Howe reported to Thatcher that 'he had decided that the immediate aim must be to go for option II – i.e. an early, modest reduction in interest rates. He had in mind a reduction in MLR of 2 per cent. To enable this to take place, he would need to be able to demonstrate that the Government was not abandoning the monetary strategy' (Lankester, 1980). In addition, Howe 'had concluded that option I – i.e. inflow controls – should not be adopted alongside a reduction in MLR. The two together would give the impression that the Government was moving to an exchange rate objective' (Lankester, 1980). Yet a shift to an exchange rate objective was precisely what was happening. In the same meeting, it was highlighted that 'The proposed 2 per cent reduction in MLR, though desirable on industrial grounds, could very well have a perverse effect on the exchange rate – since it might result in heavy foreign inflows into gilts', and Thatcher responded by proposing that 'if a 2% reduction were likely to have a perverse effect on the exchange rate, a 21/2% reduction might be considered; against this, it was argued such a figure would look like fine tuning' (Lankester, 1980). Furthermore, 'The Prime Minister said she hoped, even if option I were not adopted, the Treasury would

consider switching Bank "customers" transactions off market again.' (Lankester, 1980). To ease industrial pressures, Thatcher advocated reducing interest rates and contemplated inflow controls, based on options developed by Wass as a traditionalist Treasury official, representing significant departures from monetarist doctrine and free-market principles more broadly. Set against this, the record shows that Howe's relative caution was about avoiding the perception that they had changed course – the political risk that such policies might look like Keynesian 'fine tuning' – as opposed to offering arguments that encouraging depreciation was substantively undesirable. As they selected from the measures devised by Wass and intended to appease financial markets, salvage the profitability of domestic industry (to the extent that was possible), and protect the government's reputation (from claims of incompetence), Thatcher and Howe had little option but to put monetarism aside. After 18 months in office, the experience of government weakened the role of ideological considerations.

Insofar as can be discerned, the overall direction of policy change 1979 to 1983 (from monetary to fiscal contraction) matched the desires of party members and supporters. However, it is unclear whether members' views were rooted in ideology or other priorities (such as Conservative electoral prospects, their own economic wellbeing and class conflict). Furthermore, it is doubtful whether members' views, when relayed by MPs, could be distinguished by the party leadership from the views of parliamentarians. The evidence implies that Conservative members sought greater spending cuts. Following the March 1981 Budget, Thatcher received a letter from the Scottish Conservative Association relaying that 'there is considerable anxiety among our supporters in Scotland', that they are 'angry when they observe the levels of public sector spending' and that they 'curse the Chancellor roundly for the 20 pence fuel increase [in the budget]' (Smith, 1981). Did such anger affect policy-making? In a meeting of Treasury ministers and special advisers in September 1980, it was argued that a further set of cuts was needed and 'it would be greatly preferable if it could be announced before the Party Conference' (Cardona, 1980). This implies that reductions may have pleased the delegates in attendance. In feedback provided to Howe at a November 1980 meeting of the Conservatives' Finance Committee, a backbench committee covering Treasury matters, the right-wing MP George Gardiner 'detected disappointment in the Party over the inadequacy of the cuts' (Cropper, 1980b). In the same committee earlier that month, Alan Clark argued that 'the level of unemployment was what was holding the Party activists steadfastly together in many constituencies. For better or worse it was seen as giving the Trade Unions their deserts.' (Cropper, 1980a). Gardiner and Clark's views are unlikely to be representative of parliamentarians or party members more generally, but suggest desire within the party for a more confrontational programme. This lends support to the argument of Green (2002, p. 217) that Thatcherite radicalism stemmed from discontent among party members. However, Gardiner and Clark's comments also indicate concern among party members about the political and economic failure of the government's strategy up to that stage. At the opposite end of the ideological spectrum, concern about economic policy was prevalent on the left. In his interview, Jopling (from his role as Chief Whip) recalls, 'Because Geoffrey Howe had to take a number of steps which certain people in the party did not care for very much, there were a number of people who started to take fright a bit in those early days, particularly people on the left-wing of the party.' (Jopling, 2019). Such objections likely reflected MPs' own positions. In feedback from parliamentarians to frontbenchers, including reports of members' opinions, it is unlikely that frontbenchers could distinguish ideological pressure from members from personal views articulated by MPs on the left and right of the party. In his interview, Lankester (2018) notes that, 'On specific policy', members had no influence, but that Thatcher 'was responsive to their frustration that things weren't working out as well as she had hoped and they had hoped.' Beyond contributing to policy-makers' perceptions of the political environment, it is unlikely that members' views exerted a separate causal effect on policy.

3.4.2. Electoral Politics

At the beginning of the electoral cycle, the Conservatives were less sensitive to electoral considerations. In particular, Thatcher and Howe were conscious of the short-term economic and political dangers involved in pursuing a monetary contraction to control inflation, but opted to increase interest rates regardless. This indicates that electoral politics is less central to policy-making at the start of a parliamentary term and, conversely, supports the proposition that electoral considerations matter more at the end of a government's mandate. In a memorandum submitted to Thatcher in December 1979, Howe highlighted that 'the [fiscal and monetary] policy conflicts are likely to be most acute in the next two years.' (HM Treasury, 1979b). From this analysis, Howe made two arguments: 'First, however difficult the short-term, the centre piece of our anti-inflation strategy – progressive reduction in monetary growth – remains the only feasible one', and that 'Unless we reduce [public expenditure] plans further we shall not be able to avoid

serious damage to our taxation objectives and the risk of even higher interest rates than those we have now', adding that 'This is also becoming increasingly clear to the financial markets' and 'Most important, it is also becoming clear to our supporters in Parliament that further action on public expenditure is needed.' (HM Treasury, 1979b). This memorandum confirms that Howe in 1979 was aware of the economic and political challenges stemming from higher interest rates, as well as perceiving cuts in public expenditure as an alternative which could reduce the need for high interest rates. In spite of this assessment, Howe insisted that their existing economic policy based on reducing inflation through restraining monetary growth was 'the only feasible one'. Howe's framing awarded primacy to a tight monetary policy, with cuts in public expenditure as a secondary objective. Howe's memorandum also referred to the potential problems as 'short-term' (HM Treasury, 1979b). This points to lower responsiveness to public opinion when declining popularity was judged to be temporary and confined to a period when the next general election was still in the distance.

It took mounting political opposition associated with adverse economic developments to change Howe's mind. This illustrates how a mid-term fall in government popularity can alter public policy decisions. The March 1981 Budget involved abandoning the course Howe had previously judged to be 'the only feasible one' and substituting for it a fiscal contraction amidst a recession. The reversal in policy is recognised in existing literature (Johnson, 1991, p. 46; Needham, 2014a, pp. 159-161; Thompson, 2014, p. 58). By late 1980, Conservative policy-makers realised that there were insurmountable political problems with the monetarist package that Howe had deemed essential in December 1979. This is evident in a minute for Howe in November 1980 from his special adviser Adam Ridley. In a minute endorsing a reduction in the Minimum Lending Rate recommended by Wass, Ridley observed that 'The political pressures associated with present policies and circumstances and a prolongation of both are going to get much greater. I am not referring to Sir T Beckett and the more emotional part of the CBI, but to a growing body of quiet and responsible critics' (Ridley, 1980). This shift in position is particularly significant when it is considered that Ridley had criticised Wass, in opposition, for his scepticism of monetarist doctrine (Ridley, 1978). Electoral considerations compelled Howe and Ridley, who were rhetorically and intellectually committed to monetary control, to change the policy direction. Analysing Conservative political strategy ahead of the 1983 General Election, Abernethy (2018) dismisses notions of a shift in policy content and argues that re-election plans consisted of presentational and tactical changes. While this may be true if 1982 and

1983 are viewed in isolation, the need to secure re-election led to a major change of policy earlier in 1981. A mid-term fall in popularity forced the government to change course.

This finding has implications for both the proposition that electoral considerations increase in importance towards the end of a mandate and the proposition that mid-term falls in government popularity bring electoral politics to the fore. Proximity to the next election increased the salience of electoral considerations in 1982 and 1983, but leading policy-makers also considered the possible electoral consequences at an earlier stage. Both the electoral cycle and a mid-term fall in popularity were relevant, but the latter was more pivotal to the sequencing of the change in policy. In a letter from Howe to Thatcher in June 1982, entitled 'Economic Prospects and Priorities for the Next Two Years', Howe advised that 'In short, if things go as expected we can hope to face the country with an economy which is again growing' (Howe, 1982a). After endorsing a continuation of existing policies, Howe points out that interest rates 'represent not only one of industry's biggest perceived costs, but also affect individuals directly', adding that 'We must try to secure further reductions. This means ensuring that monetary conditions are not unnecessarily tight'. (Howe, 1982a). With an election within the next two years in mind, Howe aimed to achieve lower interest rates because they directly affected the personal finances of voters. The closeness of the next election heightened the role of electoral considerations. However, in endorsing lower interest rates in June 1982, Howe was recommending continuation along the trajectory determined by the 1981 Budget stemming from discussions which started in late 1980. Political pressure had already forced the Conservatives to adopt their electionwinning strategy in 1981. This is distinct from the Conservatives consciously choosing to drastically alter the policy direction shortly before the election. Sanders et al. (1987) credit the Conservative Party with manipulating economic conditions to produce a more favourable outcome in the 1983 General Election. While more favourable conditions resulted from government policy and the policy was partially designed in response to political pressure, the Conservatives changed course in late 1980 and early 1981 after experiencing a drop in popularity (as opposed to consciously altering policy in 1982 merely because the next election was closer in time).

3.4.3. Institutions

Institutional constraints, including the scepticism of Treasury officials and the need to maintain market confidence, frustrated the early Conservative preference for pursuing a

fiscal contraction as a substitute for higher interest rates. Senior Treasury officials counselled against ambitious efforts to reduce public borrowing. This contributed to blunting Conservative ideological goals. At a meeting of the Treasury's most senior officials in October 1979, Wass noted that 'the Chancellor held the view that the PSBR [Public Sector Borrowing Requirement] should be brought down as far as possible, because the lower it was, the lower the monetary target could be consistent with low interest rates', before criticising that this would 'be likely to cause output and employment to fall, and the Chancellor should be advised not to commit himself to too low a PSBR target' (Taylor, 1979). Wass remained sensitive to the impact of a contractionary fiscal policy on aggregate demand. A Keynesian understanding of economics remained embedded at the top of the Treasury. In 1979 to 1980, despite his explicit ideological support for a smaller state and balanced budgets, Howe was conscious that he was presiding over a policy stance requiring greater public borrowing. In a January 1980 memorandum to the Cabinet, Howe lamented that the outlook for borrowing had 'almost certainly worsened' since his previous paper (Howe, 1980a). The memorandum urged the Cabinet 'to take the necessary public expenditure and fiscal decisions, so that less of the burden of monetary control falls on interest rates.' (Howe, 1980a). At the same time, Howe argued that a tight monetary stance 'needs to be applied consistently for several years if it is to work' and that, if they departed from this, 'The effect on confidence in financial markets would be extremely serious.' (Howe, 1980a). Howe regarded expenditure cuts as ideally underpinning both monetary and fiscal contraction. However, given obstacles to reducing public borrowing and the immediate aim of reassuring financial markets, higher interest rates became the policy. Even when possessing radical intentions, Howe did not have freedom in determining which policy instruments to use.

When ministers ultimately resolved to loosen their hawkish monetary policy and rely primarily on fiscal policy to achieve their aims, hopes for drastic expenditure reductions were impeded by Treasury concerns about administrative viability. Advised that expenditure cuts were impractical, Howe relied on tax increases more than he would have otherwise wished. Institutional factors shaped fiscal policy decisions. The Treasury's experience of departmental negotiations made it keen on spending less on specific programmes by default, but less assured about the possibility of achieving cuts. Prior to the March 1981 Budget, the Conservatives were informed that the cuts that they wanted, to compensate for a looser monetary stance, could not be implemented simultaneously with rate cuts. At a January 1981 meeting (at 11 Downing Street) to discuss the budget, it was

minuted that 'Mr Ridley and Mr Cropper [special advisers to Howe and Chief Secretary Leon Brittan respectively] made clear their preference for a [public borrowing] figure well below £10 billion; the difficulties encountered as a result of the present excessively high level of interest rates were themselves a signal of the need to reduce the PSBR.' (Wiggins, 1981). When discussion moved to how a reduction in borrowing could be attained, Anthony Rawlinson, Second Permanent Secretary (in charge of public expenditure), 'doubted whether further public expenditure reductions would be possible in advance of the Budget.' (Wiggins, 1981). When Howe requested further reductions again in late February 1981, Rawlinson responded with a submission stating, 'I regret to have to say that there is virtually nothing to offer now by way of fresh cuts in 1981-82 which could be announced in the Budget.' (Rawlinson, 1981). The desire for greater cuts was not absent, but Treasury officials raised concerns about the viability of achieving reductions. Howe was constrained when choosing between options for reducing borrowing. Writing retrospectively, Ridley (2014, p. 71) notes that the additional reduction in public borrowing announced in the 1981 Budget was achieved principally through real-terms cuts in personal allowances, higher rates of indirect taxation and special tax measures targeting the energy and financial sectors. To enable lower interest rates, fiscal policy was tightened chiefly through tax rises, including a fuel duty increase which angered both members and backbenchers (Smith, 1981; Lawson, 1992, p. 97). Institutional considerations limited the extent to which public expenditure was cut as part of the 1981 Budget.

Whereas civil servants exerted significant influence on expenditure decisions from May 1979, Treasury concerns about the appreciation in sterling went unheeded in the first year of the Thatcher governments. Ministers were initially disinterested in the Treasury's past experience and adopted preconceived views. Levels of economic awareness among ministers varied, but their shared determination to their party's counter-inflationary strategy was an obstacle to accepting incompatible advice. Strong ministerial performance (construed as commitment to delivering to their party's priorities) limited the significance of institutional constraints. In Lawson's memoirs, he recalls that 'One problem [as Financial Secretary from 1979 to 1981] I had not fully expected, and which was not easy to deal with, was the devaluationist tendency of some senior Treasury officials', which he credited to their service under Harold Wilson's governments in the 1960s; Lawson noted that 'they thought I was mad to welcome the high exchange rate, even to the extent it had reached in the summer of 1979.' (Lawson, 1992, pp. 60-61). Indeed, in August 1979, Lawson sent a minute to Howe urging that nothing should be done to arrest sterling's appreciation,

arguing that 'the strong £ is the biggest thing we have going for us' due its counterinflationary effects, as well as because it potentially allowed lower interest rates for 'a given rate of monetary growth' (Lawson, 1979). In his interview, Lankester confirms that Thatcher felt differently to Lawson about the appreciation in sterling, commenting that, 'She may have thought a high exchange rate was good in terms of national pride, but I don't think she particularly supported it from an economic point of view. She was aware that a high exchange rate was causing major problems for parts of manufacturing industry.' (Lankester, 2018). However, the differences that existed between Thatcher and Lawson were less pivotal than they would prove in the later 1980s. In 1979, the value of sterling was treated by Thatcher and Howe as a side effect, not a target, as they aimed to use interest rates to curb monetary growth. Lawson (as a junior minister) felt it necessary to write to Howe in August 1979, explaining the benefits of a high exchange rate, but Howe was already embarked on a strategy increasing the exchange rate. Tomlinson (2007) argues that the most significant feature of macroeconomic policy from 1979 to 1981 was a sharp appreciation in sterling and that Conservative ministers at the time failed to recognise this. A range of views and economic knowledge existed among policy-makers, with Thatcher especially worrying about a high exchange rate, but the exchange rate was not prioritised before late 1980 due to the emphasis on monetary control.

The major shift in macroeconomic policy during Thatcher's first term was increasing focus on the relationship of the exchange rate to inflation and monetary policy. This recognition lasted for the remainder of the Thatcher governments and was attributable in part to institutional factors, including advice from Treasury officials and the perceived need to satisfy financial markets. The significance of institutional constraints increased due to the recession of 1980-81 (in turn induced by the appreciation in sterling). Rather than disrupting established institutional norms, the economic crisis presented an opportunity for the Treasury's pre-1979 views on exchange rate policy to be reasserted. The contrast between August 1979 and November 1980, separated by the depths of recession, was striking. In August 1979, Lawson was disregarding officials' advice and advising Howe that appreciation in sterling was desirable as an incidental point (Lawson, 1979; Lawson 1992, pp. 60-61). By the November 1980 meeting between Thatcher, Howe and Wass, to discuss the proposals contained within Wass's paper, Thatcher was pressing Howe for measures to reduce the exchange rate and Howe's main concern was concealing the change (Lankester, 1980). While this shift occurred due to a short-term crisis, its effects persisted as policy-making subsequently turned to targeting the exchange rate according to economic conditions. In a memorandum for the Cabinet in February 1983, Howe advised that 'we need to avoid encouraging further sterling depreciation, given its impact on inflation. Sterling's recent fall makes relaxation of fiscal and monetary conditions less justifiable to the markets' (Howe, 1983a). In the economic environment of early 1983, following a depreciation in sterling, Howe now feared the reverse of Thatcher's concern in late 1980, but the exchange rate remained the implicit target. Furthermore, Howe advocated discouraging additional reduction in the exchange rate specifically because its fall risked compromising market confidence in 'relaxation of fiscal and monetary conditions' during what was the pre-election period (Howe, 1983a). Owing to institutional and electoral considerations, the Conservatives felt compelled to influence the exchange rate in order to maintain the easing of monetary and fiscal policy. This posture was the precise opposite of their monetarist and small-state ideological inclinations. The Treasury's success in shaping the response to the early 1980s recession, and greater ministerial attention to financial markets from that point, led to a focus on the exchange rate as the objective of macroeconomic policy, as opposed to Conservatives' ideological priorities. Institutional priorities in determining the policy response to a crisis subsequently outlasted the life of the crisis.

3.5. Second Term

3.5.1. Ideology

Relative to the first Thatcher administration, monetary policy was less ideologically charged in the second term. This supports the proposition that ideological considerations decrease in significance with longevity in office. Interventions in foreign exchange markets and interest rate changes were contentious within the government more widely, but not for reasons primarily grounded in ideological debates. Rather than adhering to monetary targets, Lawson (who in June 1983 succeeded Howe as Chancellor of the Exchequer) was interested in exploring other approaches to counter-inflationary constraint, in particular by assigning monetary policy to the exchange rate. By December 1986, the money supply was so inconsequential to policy that a Treasury submission to Lawson noted that 'We could abandon formal monetary targets altogether' as an option for the 1987 MTFS, with 'severe presentational disadvantages' being cited as the principal reason against doing so (Peretz,

1986). This suggests concern that monetary and fiscal stances should not be seen as loosening, but also shows a rejection of dogmatic monetarism as the basis of policy.

Lawson's mix of policy choices provoked criticism from Alan Walters, who served as an economic adviser to Thatcher from 1981 to 1983 and continued to offer his opinions informally. However, reflecting a lack of consistency in ideological influences, Walters's criticisms implied the opposite of a stricter monetary policy. Writing to Thatcher in December 1985, Walters noted that 'Fiscal conditions are still perceived by the market to be still suspiciously loose' and that 'Monetary conditions are clearly rather tight relative to the experience of the past four years or so' (Walters, 1985). In the previous month, Thatcher had resisted rises in interest rates as a prelude to joining the ERM, leading Lawson to question her commitment to 'sound money' in his memoirs (Lawson, 1992, pp. 494-496). These disputes must be seen in the context of both Lawson's commitment to targeting the exchange rate (including his aspiration to join the ERM) and Thatcher's general reluctance to raise rates. In his interview, Butler (Thatcher's Principal Private Secretary from 1982 to 1985 and Cabinet Secretary from 1988) recalls, 'I think she very much disliked higher interest rates on political grounds, because the sort of Conservative element of the electorate, that she was particularly concerned with, were those who had large mortgages.' (Butler, 2019). By the second term, neither Thatcher nor Lawson was highly influenced by ideology in their preferred monetary policy stance.

While the radicalism of Conservative taxation policy increased over 1983 to 1987 (peaking in the final year) if judged by policy content, the core motivations behind policy decisions were primarily unideological throughout the period. Instead of a crusade to reduce taxation, Lawson was content to manage fiscal policy according to economic conditions for most of the term. When Lawson began to make changes in personal taxation as the next election neared, he considered multiple options which fulfilled Conservative ideological goals, but from these selected cutting the basic rate mainly due to its political rather than ideological merits. In a February 1984 memorandum for the Cabinet on economic strategy, Lawson emphasised that 'The risk of my having to put taxes up in March now seems slight, and unless circumstances change significantly in the next five weeks, my intention will be to keep taxes overall broadly unchanged in real terms next year' (Lawson, 1984a). This was as a pragmatic approach which prioritised stability over radical change, with tax rises only ruled out once Lawson was satisfied that the fiscal arithmetic permitted this. When Lawson judged by the 1986 and 1987 budgets that he had the fiscal space to either reduce the basic rate of income tax or further increase personal

allowances, however, the government faced a choice between lower tax rates or reducing the number of taxpayers. In resolving this, Lawson (1992, p. 377) records that 'the most important consideration, however, was that, if I wished to create a large constituency in favour of income tax reductions, as a counter to all the many vocal constituencies and pressure groups there always are for higher government spending on everything under the sun, the last thing I wanted to do was to reduce the size of that constituency by taking people out of income tax altogether'. In choosing between two options which both reduced the state's share of national income and liberalised the economy, Lawson favoured cutting tax rates because he believed this expanded public support for future tax cuts. One radical policy was preferred over another based on a strategic calculation about which option was most politically advantageous. Ironically, given his private opposition to the Poll Tax, Lawson's aversion to raising thresholds is comparable to Nicholas Ridley's belief that the Poll Tax ensured that 'everyone would have a financial interest' in public expenditure (Ridley, 1992). Yet Lawson's memoirs (and the timing of the decision) do not evidence an abstract interest in creating citizen-consumers so much as a specific desire to mobilise public opinion in a way that increased support for the Conservatives and allowed him to resist demands for higher public expenditure from sectional interests. Even with the eventual shift to pursuing tax cuts which reflected economic liberal aspirations, the influence of ideology on Conservative taxation policy during 1983 to 1987 was consistently limited.

In the absence of serious political discontent, Lawson's style of decision-making in this period left little scope for parliamentarians or members to influence policy. In her memoirs, Thatcher (1995a, p. 672) recalls that 'Nigel did not generally like to seek or take advice', standing in contrast to Howe in this respect, and that she herself was usually asked to approve pre-prepared proposals which Lawson had devised for his own reasons. When policy is managed in this way, it is more difficult for wider party views and sectional interests to affect policy outcomes. On occasion, opinion within the parliamentary Conservative Party forced Lawson to back down on a specific point. For example, opposition from Conservative backbenchers led Lawson to modify his plans for taxation of occupational pensions in 1985 (Lawson, 1992, pp. 367-369). Yet this must be distinguished from a major change to the direction of macroeconomic policy. The thrust of the Conservative Party's approach came from Lawson himself and, to the extent she intervened, Thatcher and her advisers. The generally benign macroeconomic conditions

meant that Lawson did not face the level of internal party pressure experienced by Howe in late 1980 and early 1981 over tight monetary policy.

3.5.2. Electoral Politics

Discussions among Conservative politicians before the March 1987 Budget provide strong evidence that the proximity of the next election increased the salience of electoral considerations. This affirms the expectation that electoral politics increases in significance as a factor towards the end of a government's mandate. The December 1986 report of the Conservative Party's policy group on 'Managing the Economy', chaired by Lawson, begins by noting that it was 'primarily concerned with policy options rather than their presentation', but proceeds to note that 'the Group was convinced that success in securing both re-election and effective implementation of these policies would depend crucially on proper presentation.' (Conservative Party, 1986b, p. 2). The next election was at the forefront of Conservative Treasury ministers' minds by late 1986. In its justification for lower taxes, the policy group's report identified 'three categories of reason: the moral/political, the economic and the electoral', with the 'moral/political' reasons being ideological (Conservative Party, 1986b, p. 8). In relation to electoral issues, the report argued that it was more credible for the Conservatives to offer lower taxes than higher spending and that 'there is considerable pressure further down the scale from lower income groups who find tax deductions at the current rates leave them with barely enough to meet their needs.' (Conservative Party, 1986b, pp. 9-10). This group is identified as containing 'swing voters'. On the same page, the report proposed that 'The manifesto should commit the Government to the target of reducing the basic rate of income tax to 25p' on the grounds that 'cutting the basic rate makes it clear that everyone will benefit, not just the rich.' In the subsequent March 1987 Budget, Lawson announced a cut in the basic rate of income tax from 29p to 27p (House of Commons, 1987). This decision reflected the direction of travel discussed in the policy group report and Lawson's desire to foreshadow a further reduction if the Conservatives retained office, thereby offering a financial incentive to perceived swing voters. The electorate was granted lower taxes with the promise of more to come if the Conservatives won. The 2p reduction in the basic rate in the March 1987 Budget was therefore closely related to the electoral cycle.

A key reason why electoral considerations did not, prior to the pre-election years of 1986 and 1987, produce major policy changes was an assumption that the government's

political problems related more to policy presentation than content. Thatcher's advisers worried that the government was perceived as lacking purpose and uncaring. In neither case was policy change advocated. On public expenditure policy, Ferdinand Mount (head of the Downing Street Policy Unit) wrote to Thatcher in October 1983 arguing that, 'The more we make it publicly clear that we shall stick absolutely to our targets, the greater the pressure on spending Ministers to concede what most of them ought already to have conceded. This is a vital first step in countering the myths that the Government is losing its sense of direction.' (Mount, 1983c). Rather than worrying that cuts would be unpopular, Mount regarded publicly reinforcing the existing policy as essential to perceptions of government strength and coherence. Mount's conception of electoral politics suggests that Bulpitt (1986) is right to emphasise the role of cultivating governing competence in Conservative statecraft under Thatcher. In August 1985, Bernard Ingham (Thatcher's Press Secretary) noted that they were 'at the end of a rather difficult political year', but advised that 'Although the claim is regularly made that you are not doing enough to combat unemployment, there seems to be less criticism of policy and more of presentation. My 18 years in the Government service have taught me not to take criticism of presentation too seriously, but I think we must now do so.' (Ingham, 1985). While conscious that Thatcher was politically vulnerable in a context of high unemployment, Ingham (a civil servant, not an ideological figure like Mount) expressly attributed this to presentation rather than policy. When Ingham's assessment was that government weaknesses lay in presentation and not policy, there was no incentive to undertake an overhaul of economic policy in order to counteract high unemployment. The relationship between electoral considerations and policy depends on whether political problems are conceived as rooted in policy rather than communications failures.

Moments of political danger during Thatcher's second term did not lead to a rethink of macroeconomic policy of the kind associated with the March 1981 Budget. This runs counter to the proposition that parties change policy in response to declining popularity. In part, policy stability prevailed because Lawson was convinced of the political advantages of his underlying economic strategy and that such political problems as did exist were not attributable to it. This can be seen in how Lawson decided to utilise fiscal headspace in the 1986 Budget in a period of political difficulty, namely the Westland affair, which caused Heseltine and Leon Brittan's resignations in January 1986 and led to backbench discontent. (Lawson, 1992, pp. 675-679). Against this background, the

"growth and jobs" Budget' with extra expenditure on employment programmes and the use of any remaining surplus to increase personal allowances instead of cutting tax rates (CBI, 1986). Lawson met with the CBI on 17 January and noted that 'the CBI's presentation had put public expenditure measures way ahead of tax cuts', even though 'The Government's own preference for reducing income tax had been made very clear ever since 1979', a divide which 'was bound to be exploited by the Labour party' (Lomax, 1986). Lawson pressured the CBI to align with Conservative rhetoric, rather than considering the CBI's proposals. Middlemas (1994, p. 439) has noted the CBI's lack of influence on macroeconomic policy in the 1980s, despite the traditional principal-agent association between the CBI and the Conservatives. Reflecting this, Lawson 'contrasted the views of CBI members with those of Conservative backbenchers', who he said to be 'divided between the merits of raising allowances and cutting tax rates', while 'only a tiny minority saw great political attraction in higher public expenditure', but his fundamental argument was that increasing spending 'was an own goal; this was an issue on which other parties could clearly out bid the Government' (Lomax, 1986). Lawson's political arguments for reducing taxation fit neatly into the statecraft framework proposed by Bulpitt (1986), which highlights the demands of party management and maintaining political argument hegemony as core elements of Thatcher's political project. Electoral considerations formed an integral part of Lawson's fiscal policy agenda, but he did not wish to allow his strategic approach to be undermined by making specific concessions to win short-term popularity.

3.5.3. Institutions

International financial conditions represented a constraint on monetary policy throughout the period from 1983 to 1987. Due to their commitment to following movements in international currency markets, ministers were unable to satisfy domestic economic concerns. When meeting with Thatcher, Lawson and Cecil Parkinson (Trade and Industry Secretary) after the 1983 General Election victory, the CBI complained that 'real interest rates were still much higher than the real rate of return in British industry.' (Butler, 1983). In response, 'Ministers commented that they shared the desire of the CBI for lower interest rates but, since these depended on market and international conditions, they were not solely within the Government's gift.' (Butler, 1983). Domestic industrial needs were subordinated to 'market and international conditions' when setting monetary policy. In a minute to Thatcher in February 1985, Lawson argued that 'the sustainability of the world

recovery and our own freedom of manoeuvre on domestic policy is threatened by historically high US interest rates and the strong dollar.' (Lawson, 1985). This reveals Lawson's concern that his own economic policy should not be disrupted by international financial developments. Asked in his interview about Thatcher's attitude to the dollar's appreciation, and the Plaza Accord agreed in September 1985 to address this, Turnbull (Thatcher's Economic Affairs Private Secretary until summer 1985) answered that, 'She expressed concerns about it, but that wasn't what she was really interested in. So all that stuff about the Plaza agreement, that was from Howe and Lawson.' (Turnbull, 2019). Earlier, in December 1983, Conservative backbencher Peter Tapsell cited the Reagan administration's policies to argue that 'there is no direct causal link between deficits and interest rates' (Tapsell, 1983). Responding to a parliamentary question from Tapsell that month, Thatcher argued that the American 'budget deficit [...] is causing high interest rates, which are extremely damaging to this and other European countries. Further it is preventing us from getting the amount of investment that we should have in this country because much capital is withdrawing to the United States' (House of Commons, 1983b). The government's stance reflected Lawson's fears about external developments.

This episode reveals discord between British and American neo-liberal economic agendas stretching into the mid-1980s. In his June 1984 Mais Lecture, Lawson observed that 'Unlike us, she [the United States] has pursued a lax fiscal policy leading to a greatly increased budget deficit. [...] This has led a number of observers to conclude that it is the American budget deficit that is the cause of her markedly better employment performance. Not so.' (Lawson, 1984b). The next month, Lawson raised interest rates on the Bank of England's advice following appreciation in the dollar (Lawson, 1992, pp. 461-463). In the House of Commons, Thatcher attributed this solely to 'the industrial strikes that we are now experiencing. For the 17 weeks of the coal strike we managed to withstand increases interest rates and hold them well below those of the United States, but, because of the industrial strikes, they have now had to go up' (House of Commons, 1984b). Thatcher presenting this decision as primarily related to strikes, as opposed to the appreciation of the dollar and the Reagan administration's policy, was misleading. By linking the exchange rate and control of inflation, the Conservatives consciously limited their own freedom on monetary policy. The international economy grew in importance as an external institutional constraint.

The desire to join the ERM altered the lens through which interest rates were viewed within government in 1986 and 1987. To join or not to join the ERM became central

to the relationship between the exchange rate and domestic monetary policy. The agenda (favoured by Lawson) to create a stronger institutional constraint based on the exchange rate clashed with not only Thatcher's opposition to ERM membership, but also with aspects of the prior bureaucratic culture, which considered the exchange rate alongside a wider range of indicators, within the Treasury and especially the Bank of England. At the Bank, there was heavy institutional scepticism of targeting the exchange rate informally. By comparison, in the Treasury, there was an emerging institutional norm whereby the exchange rate was viewed as a strict counter-inflationary target, representing an evolution from the view merely that trends in sterling mattered to economic performance. Due to the centrality of the ERM issue, Treasury and Downing Street officials modified their advice over interest rates to reflect Lawson and Thatcher's objectives to encourage or forestall ERM membership respectively. In his memoirs, Lawson notes that he personally became convinced of the need for currency intervention to establish a floor of DM3 for sterling in September 1986 and that he was 'rather more concerned than my advisers by sterling's depreciation.' (Lawson, 1992, pp. 653-654). He further records that Peter Middleton (the Treasury's Permanent Secretary) replied that 'no-one had suggested an increase' in interest rates when Lawson enquired about the steps necessary for tracking the Deutschmark. However, a couple of months later, in the face of further depreciation, some Treasury officials advocated increasing interest rates to prevent depreciation. In a November 1986 minute to Thatcher, ahead of a bilateral meeting with Lawson, Thatcher was warned by David Norgrove, her Private Secretary for Economic Affairs, that 'The Chancellor will have come straight from a meeting with the Bank and Treasury officials about the markets. Officials are very uneasy about the way that the exchange rate is gradually drifting down', and that 'There is accordingly some feeling (including from Terry Burns [Treasury Chief Economic Adviser]) that we should raise interest rates by another 1 percent now,' before recommending himself that raising interest rates should 'be treated with very great caution.' (Norgrove, 1986). As it happens, Lawson (1992, p. 664) records that the Bank opposed a rise in interest rates at that point (reflecting the Bank's view of its counterinflationary role) and that he concealed this from Thatcher. However, Norgrove's note to Thatcher suggests that parts of the Treasury (and specifically Burns) attached greater importance to defending sterling for the purposes of controlling inflation. Lawson's support for ERM membership reflected this objective. Both Lawson and Thatcher's perspectives on interest rates were shaped by their stances on ERM membership rather than the shortterm domestic consequences. Treasury and Downing Street officials adapted their advice

on monetary policy to support the Chancellor and Prime Minister in their respective positions in the debate over the institutional framework.

Lawson's autonomous approach reduced his utility as an agent for imposing Thatcher and the Conservative Party's aims against the Treasury's position. This extended beyond exchange rate policy and ERM membership to issues where Treasury officials had entrenched positions that Thatcher opposed for electoral and ideological reasons. The most notable example was mortgage interest relief. Previously, towards the end of Howe's tenure as Chancellor in February 1983, Howe wrote to Thatcher that 'I find the case against an increase in the ceiling on mortgage interest relief pretty convincing' and attaching a paper by his officials; Howe argued that an increase would prevent other tax cuts and that 'Gains would go mainly to existing owners' (Howe, 1983b). Thatcher retorted that 'I couldn't disagree more with your paper on this subject', asserting an increase 'is fundamental to our policies for home-ownership, the property-owning democracy and the family', and argued they should assist 'those already with large mortgages who are our natural supporters' (Thatcher, 1983). Howe relented and increased the limit in the March 1983 Budget (Howe, 1995, p. 281). The dispute over mortgage interest relief continued into Lawson's chancellorship. Fully aware of Thatcher's position, Treasury officials persisted in efforts to convince ministers to abolish or at least reduce mortgage interest relief because 'it has a powerful effect on the demand for mortgage credit' (Pirie, 1984). This was an issue where institutional and electoral considerations conflicted.

The role of an individual minister in taming or intensifying institutional constraints on policy is illustrated by Lawson's handling of mortgage interest relief. In March 1984, a Treasury official covering housing policy observed in an internal memorandum that 'Given we have lingering hopes of attempting to reduce the [mortgage interest] relief, it might be better if there were as few Ministerial statements about its future as possible.' (Martin, 1984). A more senior official backed this recommendation in another memorandum, noting 'there is unanimous official belief in the Treasury that it [mortgage interest relief] should go.' (Hopkinson, 1984). Despite the institutional desire to avoid future commitments, political pressure to make a statement reaffirming the policy's retention soon arose. With a parliamentary by-election forthcoming, Ridley (now Lawson's special adviser) wrote to Lawson in May 1984 relaying concerns from Conservative Central Office over 'the rumours which have emerged recently over the future of mortgage interest relief. The possibility that the Government will abolish it is being used actively in the campaign' (Ridley, 1984a). In order to mollify Central Office, Ridley proposed that Peter Rees as Chief Secretary to the

Treasury should confirm the government's commitment to mortgage interest relief in a campaign visit to Portsmouth. After speaking with Lawson, Ridley wrote to Rees providing a line to take affirming support for retaining mortgage interest relief for use if necessary, but also indicating Lawson's strong preference that Rees avoid using the approved line unless a journalist asked a question (Ridley, 1984b). Later in 1984, Lawson agreed in a meeting with officials that Thatcher should make 'no further pledges on mortgage interest relief', prompting Treasury civil servants to discuss ways of achieving Thatcher's adherence to this request (Allen, 1984). The Treasury was seeking to manage Downing Street and Conservative strategy rather than the other way round. Lawson would limit the availability of mortgage interest relief in the 1988 Budget, after Thatcher blocked changes in 1986 and 1987 (Lawson, 1992, pp. 819-821). Instead of siding with Thatcher to impose political objectives on the Treasury, Lawson aided the Treasury in their efforts to thwart Thatcher's intentions. This confirms the role of individual ministerial will in strengthening or weakening institutional constraints.

3.6. Third Term

3.6.1. Ideology

Even though the taxation policy decisions made early in Thatcher's third term were arguably the most radical (in content) of her entire premiership, this was attributable to Lawson's search for a personal legacy rather than any coherent ideological programme of the government as a whole. It was a rushed attempt by Lawson to secure major reform during his tenure, not the culmination of an ideological blueprint or the result of increased coherence. While Lawson was individually more concerned with attaining radical change later in office, this does not support the proposition that ideology becomes more important with time as a general rule outside the context of politicians aiming to embellish their legacy. Lawson's decision depended on acceptance of the idea that lower marginal tax rates for high earners were desirable, but the timing of the decision also represented a departure from the counter-inflationary objectives which government professed. Neoliberal principles conflicted. Prior to the budget, the Bank of England was worried about the implications of monetary expansion. Eddie George, the Bank's chief economist, warned in a 15 January 1988 note for Robin Leigh-Pemberton, Governor of the Bank, that 'We continue to think that money and credit, domestic demand and underlying domestic costs are all

rising uncomfortably fast, and that this points to the need for a tightening of policy' (George, 1988a). This warning was repeated in the meeting between Lawson and Leigh-Pemberton on the same day, at which George was also present (HM Treasury, 1988a). The Bank counselled for tightening policy in response to inflationary pressures. Instead, the March 1988 Budget entailed significant fiscal expansion. In discussing his decision to reduce the top rate of income tax from 60p to 40p in his memoirs, Lawson (1992, p. 816) notes that 'I was keenly conscious of the fact that the tax burden even by the middle of a third Conservative term was still virtually unchanged from when I first became Chancellor'. Having been in office for so long, Lawson felt urgency to associate himself with cuts in taxation. He was concerned about his personal legacy and saw the March 1988 Budget as a key part of that. Lawson (1992, p. 823) records that 'The 1988 Budget completed what I then thought was more or less the maximum politically feasible transformation of the British tax system, certainly so long as Margaret was Prime Minister.' This points to Thatcher's lack of enthusiasm. On this point, Lawson's memoirs agree with Thatcher's memoirs, where she claims that she raised concerns about the budget's implications for inflation and public borrowing (Thatcher, 1995a, pp. 673-674). Despite rising inflationary pressure, Lawson prioritised a legacy-driven transformation of personal taxation. In resolving the tension between controlling inflation and cutting tax rates in favour of the latter, Lawson followed his desire to achieve a major reform rather than fulfilling any overarching ideological framework.

Ideological incoherence contributed to the significant delay before Britain privately decided to join the ERM in June 1990 and its eventual entry in October 1990. Conservative policy-makers were not guided by a common framework. Thatcher's personal economic beliefs, influenced by Walters, differed fundamentally from Lawson's counter-inflationary vision. To the extent that Thatcher's views can be classed as ideological objections to Lawson's policy, ideological considerations delayed adoption of ERM membership, but this was not sustained. Thatcher's eventual acquiescence to ERM membership reflected the triumph of institutional and electoral (party management) considerations over Thatcher's objections. On the day before the 1987 General Election, David Norgrove, Thatcher's Economic Affairs Private Secretary, warned her 'There is a widespread expectation that we shall become full members of the EMS after the election. It will become a priority for the Chancellor', proceeding to warn her in the language of the Civil Service that 'a meeting of colleagues could well prove exceptionally difficult' if she remained opposed (Norgrove, 1987b). Thatcher was aware of the intense political and institutional pressures in favour of

seeking ERM membership. Yet the policy clashed with Thatcher's instincts. In forming her economic views, she was advised by Walters, who had a different ideational perspective to Lawson (Walters, 1990). Less than a month after Norgrove's note, Thatcher met with Walters and her policy unit chief Brian Griffiths, who had both been advising the Conservatives since 1975. At this meeting, 'Sir Alan said that he was even more strongly opposed to full membership than before,' arguing that it would increase uncertainty, require higher interest rates and reduce economic growth (Norgrove, 1987c). These were substantive objections to constrained ministerial discretion when controlling inflation, on the grounds that it would create policy instability and damage output. Thatcher and Walters did not believe that this was a price worth paying for the credibility benefits of an exchange rate target. In resisting Lawson, Thatcher prioritised personal ideological beliefs, influenced by Walters, over the demands of the wider economic policy-making community. It is significant that Thatcher was eventually forced to accept ERM membership in 1990 in spite of her objections and the failure to meet the 'Madrid conditions' intended as a precursor to membership (Buller, 2006, p. 205). It reveals the limits of a leader's ideological beliefs when set against institutional pressures.

While the December 1989 and November 1990 Conservative leadership elections can be related to economic management, there is little evidence to suggest that pressure from the Conservative membership on economic policy drove discontent. The elite-centred nature of Conservative national politics did not necessarily represent the membership. In August 1989, the Beer Branch of Honiton Conservative Association wrote to their Conservative MP raising concerns about high interest rates adopted following economic overheating (Beer Branch, 1989). As noted above, in general terms, Thatcher was instinctively hostile to high interest rates due to 'the sort of Conservative element of the electorate' with 'large mortgages' (Butler, 2019). While it may be unrepresentative, Beer Branch's view does not suggest ideological distance between Thatcher and members on economics relative to other senior Conservative politicians. From Thatcher's direct interactions with Conservative activist gatherings, she appears to have enjoyed their support, but such gatherings may not have been representative. Following a February 1990 speech to the Young Conservatives, she received a series of supportive questions, and the organisation's chairman observed, 'We have here today expressed our enormous support for you on your marvellous record as Prime Minister', adding that 'we hope that you will go on to win a fourth, fifth and sixth term' as Prime Minister (Thatcher, 1990a). Similarly, in a March 1990 speech to the Conservative Central Council, Thatcher noted that 'Madam

Chairman, you may just possibly have noticed that I seem lately to have been subjected to a certain amount of criticism', followed by 'Loud Applause' when she stated there was 'no vacancy' for Prime Minister (Thatcher, 1990b). In her memoirs, Thatcher portrays the 1990 leadership challenge as a consequence of discontent amongst backbenchers and cabinet ministers, spearheaded by the 'final act of bile and treachery' arising from Howe's resignation speech (Thatcher, 1995a, p. 840). Thatcher has an interest in portraying her forced resignation as resulting from the actions of party insiders, but there is no evidence to suggest that opposition to Thatcher's macroeconomic approach was driven by feeling within the Conservative grassroots. The views of Conservative parliamentarians were more significant to decision-making.

3.6.2. Electoral Politics

The Conservatives' framing of the March 1988 Budget, and the decision to introduce a further cut in the basic rate of income tax, establishes that electoral strategy can exert a (limited) degree of influence on policy at the earlier stages of a government's mandate. The Conservatives perceived a party-political advantage in fulfilling their election pledge (to adopt a 25p basic rate of income tax) at the earliest possible stage, thereby refuting a line of attack that Labour advanced in 1987. However, while electoral considerations mattered, they were not the only factor, as the 1988 Budget also included the politically riskier and larger cut in the higher rate. At the beginning of the new term, Lawson combined popular and potentially hazardous policies together, rather than only selecting the most politically beneficial policies. In the 1988 Budget speech, Lawson noted the scepticism of Roy Hattersley (Labour's Deputy Leader) that Lawson would continue his plans to cut income tax after the 1987 General Election, before announcing, 'The time has come to put the right hon. Gentleman out of his misery. So far from reversing the 1987 Budget tax reductions, I propose to take this, the first opportunity since the general election, to fulfil our manifesto pledge.' (House of Commons, 1988a). Lawson expressly frames the reduction in the basic rate of income tax to 25p as a fulfilment of the Conservatives' election pledge. Visibly fulfilling a manifesto pledge is an electoral incentive present at the start of a term. Lawson made a similar boast in a private July 1988 letter to Conservative Members of Parliament: 'We have now fulfilled our Election pledge of a basic rate of 25 pence in the pound at the first opportunity, and have the lowest top rate of income tax in Europe.' (Lawson, 1988b). Yet the latter policy (the higher rate cut) did not feature specifically in the 1987 General

Election manifesto, which promised that 'We aim to reduce the burden of taxation', but only committed specifically to a 25p basic rate of income tax (Conservative Party, 1987). The fulfilment of the election pledge (on the basic rate) served in part as political cover for a separate cut in the top rate. The Conservatives still aimed to achieve an overall package which was politically advantageous, but the inclusion of the higher rate tax cut (absent from the 1987 Election Manifesto) illustrates that securing political advantage was not the sole concern. In the opening year of the new Parliament, while the Conservatives remained highly conscious of electoral concerns, they were more open to political risks than they were before the election. This is consistent with the proposition that electoral considerations matter less at the start of the electoral cycle. Electoral considerations were consequential throughout, but less so after the election than before.

The influence of electoral considerations on monetary policy underpinned Thatcher's decision to approve Lawson's approval for a cut in interest rates to 7.5% in May 1988. This shows how, in difficult political circumstances, politicians become more attentive to electoral factors even when the next general election is a distant prospect. In this case, the political problems had their root in a perception of disagreement between Thatcher and Lawson. The logic of Thatcher's own long-standing opposition to shadowing the Deutschmark should have led her to oppose an interest rate cut. For example, in a November 1986 interview for the Financial Times, Thatcher expressed scepticism about adjusting interest rates to secure a specific rate for the pound against the Deutschmark (Rutherford, 1986). In a briefing by her Private Secretary Paul Gray for Thatcher on the day of a meeting with Lawson to approve the May 1988 interest rate cut, she was informed that the Treasury and Bank of England 'agreed that domestic considerations did not point to the desirability of a [sic] interest rate cut. But it was felt to be defensible on the grounds that the exchange rate was DM 3.14 when rates were last reduced and the strengthening to over DM 3.18 has further tightened monetary conditions.' (Downing Street, 1988). Thatcher's opposition to Lawson's exchange rate policy would have dictated opposition to a change in monetary policy which had no basis in domestic economic developments. Indeed, a few days prior, Thatcher had been advised by Gray that 'I understand that the Chancellor is resolutely opposed letting the exchange rate go significantly higher. He may be becoming a prisoner of his own words' (Gray, 1988). Gray went on to warn that 'My view – and that of Brian Griffiths – is that it would not be right to make a further cut in interest rates.' (Gray, 1988). Yet Thatcher relented. On the day she met Lawson, Gray's briefing for Thatcher said 'I remain uneasy about an interest rate cut', but then dismissed

the alternative of intervention given 'weekend comment and state of market expectations', before discussing how to justify the cut at parliamentary questions (Downing Street, 1988). Beyond traditional desire for lower interest rates on vote-seeking grounds, political tensions surrounding Thatcher and Lawson's disagreements had created pressure for consensus. Indeed, in February 1988, Ingham had warned Thatcher before an interview with the *Wall Street Journal* 'that the questioner may try to drive a wedge between your views and those of the Chancellor.' (Ingham, 1988). Politically, there was a short-term need for party unity. If Thatcher's approach was determined by ideological opposition to an exchange-rate policy, this would have dictated objecting to changes driven by the level of the Deutschmark. Thatcher's actual decision, to approve the May 1988 cut in interest rates, reflects how electoral considerations drew the Conservative leadership even further away from an intellectually consistent position.

Under Major's chancellorship after October 1989, a deterioration in the government's popularity increased the influence of vote-seeking considerations. The need for party unity and to appease the concerns of voters led Major into fiscal decisions which he would not otherwise have made. This illustrates that the significance of electoral factors is heightened at times of falling government popularity. Against a background of hostility, it was becoming politically difficult for Thatcher and Major to risk upsetting a large segment of the electorate or to resist ministerial demands backed up by threat of resignation. In his memoirs, Major (1999, pp. 147-148) recalls that not only was it necessary to include a rebate for the Poll Tax as part of the March 1990 Budget (intended to assuage concerns among voters in general), but that 'the perennially hostile Scottish media' pressed Malcolm Rifkind as Scottish Secretary into threatening resignation, forcing Major to extend the rebate retrospectively to those in Scotland. As in Thatcher's first term (when her administration was also overcome by political and economic pressures), electoral considerations forced ministers to take economic policy decisions which they otherwise might not have taken.

3.6.3. Institutions

Britain's eventual entry into the ERM in October 1990 was the result of an official and political perception that it was the only policy choice consistent with the national interest. This illustrates the importance of institutional constraints in altering the path of monetary policy-making in Thatcher's third term. In his memoirs, Major observes that 'June was a

crucial month. Treasury opinion was hardening in favour of early entry. The markets were restless and difficult, and good government required a decision.' (Major, 1999, p. 158). Treasury officials moved towards an embrace of ERM membership as the responsible course of action. Similarly, discussing a satirical image in a newspaper portraying Major, Leigh-Pemberton and Lawson pressuring Thatcher to accept the ERM, Major recalled that 'Robin and I were as on one of the need to join the ERM, if not in our level of our enthusiasm', with Leigh-Pemberton being the more enthusiastic and committed to membership 'as a matter of principle' (Major, 1999, p. 157). It was in this context, against unanimous official opinion at the Treasury and the Bank of England, that Thatcher conceded that sterling would join the ERM that year in a meeting with Major on 13 June. Thatcher's memoirs reflect that 'There are limits to the ability of even the most determined democratic leader to stand out against what the Cabinet, the Parliamentary Party, the industrial lobby and the press demand' (Thatcher, 1995a, p. 722). If Thatcher as party leader had retained governing autonomy over monetary policy, then Britain would not have entered the ERM in 1990. In his seminal interpretation of the Conservatives under Thatcher, Bulpitt (1986) theorised that the foremost concern of the party leadership was to ensure its own autonomy in deciding policy questions of importance to the central state, such as monetary policy. In the case of ERM membership, the gap between Thatcher on the one hand, and the remaining members of the Cabinet (supported by civil servants and the press) grew so large that Thatcher was required to accept a policy she did not genuinely support. Perceptions of the national interest created institutional constraints which forced Thatcher to accept membership of the ERM.

Furthermore, it should be emphasised that the sense of political and economic crisis during 1990 weakened the Prime Minister's ability and resolve to resist institutional pressure. This provides evidence for our expectation that institutional factors are most likely to cause policy change at a moment of crisis. Accepting new institutional constraints in 1990 offered a way for the Conservatives to restore economic credibility. Major (1999, p. 157) recalls sending a Treasury paper supporting ERM membership to Thatcher 'a few days after the dreadful local election results across the country on 3 May made it evident that our economic problems, together with disputes in the party over European policy, were eroding our political support.' The timing of this move implies that he used the political and economic crisis to pressure Thatcher into accepting the Treasury's view. Archival evidence confirms that Thatcher was told, ahead of a meeting with Major at the start of May, 'that the main item that he wishes to discuss is how to handle the economic and political news

over the next couple of weeks.' (Potter, 1990a). Mid to late 1990 was a moment of political weakness for Thatcher. Major's memoirs note the effect of the Poll Tax on Thatcher's popularity and the May council election results (Major, 1999, pp. 173-174). More broadly, Smith (1992, p. 196) highlights that the 1990 to 1991 recession undermined the claims of economic transformation on which Thatcher and Lawson had fought the 1987 General Election. Faced with political and economic crisis, the Conservative Party and state institutions alike settled on ERM membership as their solution.

By the later 1980s, the Bank of England exhibited an institutional bias towards its role as a guardian of counter-inflationary policy. This created a loose constraint on monetary policy, even as final decisions rested with Thatcher and her Chancellors. The Bank of England's suspicion of Conservative ministers' commitment to counter-inflationary discipline was heightened by Lawson's reluctance to heed the Bank's advice about interest rate changes in the first half of 1988 and subsequent rises in inflation. With Lawson and the Treasury settled on an exchange rate target, the Bank voiced concerns when this required lower interest rates. In a February 1988 note recommending that Leigh-Pemberton write to Lawson objecting to the text of the draft 1988 MTFS, George objected that 'The description of the monetary policy framework is, as we had feared, in our own internal discussion and from the discussion with [Peter] Middleton, unsatisfactory in that it attaches over-riding priority to the DM3 target' (George, 1988b). In a meeting between Lawson and Leigh-Pemberton in May 1988, the latter expressed reticence about a proposal to cut interest rates, with Middleton as Permanent Secretary observing that 'he shared the Governor's concerns about current monetary conditions. Looked at purely from a domestic point of view, there was a case for some tightening. However, from an exchange rate point of view there was a need to arrest sterling's rise' (HM Treasury, 1988d). Middleton's comment highlights that, while he shared the Bank's concerns over signs of domestic inflationary pressure, the Treasury attached importance to deciding monetary policy 'from an exchange rate point of view' (HM Treasury, 1988d). The Bank by contrast expressly opposed targeting the exchange rate as the objective of monetary policy. Despite the Bank's own strong support for embracing ERM membership as means of imposing counter-inflationary restraint, it resented Lawson's policy of shadowing the Deutschmark informally, especially at times when the Bank favoured higher interest rates for domestic macroeconomic reasons. In a June 1988 letter from Leigh-Pemberton to Lawson, Leigh-Pemberton noted that a weaker pound had 'eased the long-standing dilemma created by conflicting indications from the domestic economy and from the exchange rate. Even so we remain

concerned that policy is not tight enough from a domestic viewpoint.' (Leigh-Pemberton, 1988). Lawson replied that 'we shall need to make a less mechanistic judgement of the right time to move interest rates up', while agreeing to 'the unpublished rate band' contained in Leigh-Pemberton's letter (Lawson, 1988a). Lawson's agreement to 'the unpublished rate band' illustrates the Bank's significance as an institutional constraint on monetary policy. This archival evidence confirms interview findings discussed by Thompson (1996, pp. 89-90) showing that the Bank doubted Lawson's exchange rate policy and resisted implementing it. Tensions existed between Lawson and the Bank in this period, with the latter seeking higher interest rates and to restrain Lawson. This reflected the Bank's assertive understanding of its role as the voice of counter-inflationary policy and disagreements over the appropriateness of an exchange rate target outside of ERM membership.

In Major's chancellorship, a continuation of a pattern under Lawson was changes or stability in interest rates serving as bargaining tools for signalling Thatcher's control of macroeconomic policy in spite of the policy direction being institutionally-driven. The Chancellor's role mattered in variously enforcing, impeding or negotiating implementation of the leader's priorities. Individual interest rate changes were agreed to send a political signal that Thatcher's position was respected, while enabling changes in the overarching policy framework which she disagreed with. Ahead of the 1989 Autumn Statement, Norman Lamont as Chief Secretary to the Treasury supported a rise in interest rates, which Major recalls rejecting because it would 'create political panic', adding that Thatcher concurred because 'an increase would have been seen as the economic price to be paid for her political dispute with Nigel' (Major, 1999, p. 141). A key criterion in assessing interest rate changes was the implications for speculation about Thatcher's control. This is especially evident in relation to the interest rate cut publicised simultaneously when it was announced that Britain would enter the ERM on 5 October 1990. In her memoirs, Thatcher recalls that 'I for my part was determined to demonstrate that we would be looking more to monetary conditions than to the exchange rate in setting interest rates' and as such 'insisted against the Treasury and the Bank' that the rate cut would be announced simultaneously (Thatcher, 1995a, p. 724). Previously in a May 1990 meeting, Thatcher and Major discussed 'It would be important [when the UK joined the ERM] to resist political pressure for a reduction in interest rates immediately thereafter.' (Potter, 1990b). Instead, they cut rates simultaneously in October. Moreover, at a subsequent October 1990 bilateral meeting between Thatcher and Major, it was minuted that 'it was too early to say

when it might be appropriate to make a further reduction in interest rates. There was however no reason to expect that the sterling exchange rate would be an obstacle to further cuts.' (Potter, 1990e). Targeting the exchange rate prevented them from judging when they could next cut interest rates as desired, but Thatcher maintained the conceit of autonomy with the assertion that 'There was however no reason to expect' any constraint. The October interest rate cut served as a signal that Thatcher's policy priorities remained in spite of ERM membership. This bears close similarity to Lawson's proposing a 0.5% cut in interest rates in May 1988 as the price for Thatcher publicly supporting Lawson's exchange rate policy after she previously refused to endorse it (Lawson, 1992, p. 837). Lawson and Major traded changes in interest rates (or the absence of change) with Thatcher in order to obtain agreement for their preferred framework centred on exchange-rate convergence. The result was that politicians failed to resolve underlying conflicts over monetary policy. The absence of consistent direction from ministers increased the long-term significance of the wider institutional context.

3.7. Conclusion

This chapter presents evidence that Conservative politicians held and expressed economic views consistent with both the liberal and conservative strands of New-Right ideology outlined by Gamble (1994), particularly hostility to the perceived economic and moral consequences of a large public sector which was regarded as extending beyond its proper functions. However, despite the Conservatives articulating these sentiments, the chapter contends that the connection between these opinions and economic policy was consistently weak, excepting a brief period from 1979 to 1980. In opposition, Thatcher and her political allies built a narrative related to aspects of New-Right ideology but, to avoid alienating voters or other Conservative factions, declined to embrace policies significantly more radical than those of the Callaghan government. Once in power, the Conservatives initially sought to implement an incoherent form of monetarism (against the advice of state institutions). Yet the archival evidence in this chapter confirms that the adverse political and economic effects led the Conservatives to largely abandon monetary control in the domestic economic context. This is consistent with existing work on economic policy in Thatcher's first term (Tomlinson, 2007; Needham, 2014b). This thesis makes a wider point in arguing that, if the entirety of the Thatcher governments are considered, the early reversal in monetary policy beginning in late 1980 represented the end of any systematic

attempt to undertake economic management based on New-Right ideology. Monetary policy was subsequently consumed by debates over ERM membership and the role of the exchange rate with little substantive reference to ideology. On the fiscal side of economic management, notwithstanding the fiscal contraction (predominantly tax rises) of the 1981 Budget, the radicalism of Conservative policy was usually restrained by institutional and electoral factors. Public expenditure cuts and eventually reductions in personal taxation were pursued, but these did not stem from a concerted effort to implement an ideological agenda.

This chapter has found that Conservative policy-makers under Thatcher were most responsive to the interests and culture of institutions (in particular, international financial markets and domestic bureaucratic actors, namely the Treasury and to a lesser extent the Bank of England). On public expenditure, the Conservatives entered office desiring to make large cuts (partly for ideological reasons), but the capacity to achieve these reductions immediately did not exist and they accepted a more gradual approach which emphasised the Treasury's function of imposing discipline on departments rather than drastic reductions in the size of the state. Where they advocated policy change, Howe, Lawson and Major each were representatives of institutional consensuses and not agents of their party, contributing to tensions with Thatcher on fiscal questions such as mortgage interest relief as well as monetary policy. The key effect of economic crises in the early 1980s and late 1980s, was to reinforce institutional constraints on the Conservatives' economic policy direction, in particular as regards the relationship between the exchange rate and monetary policy according to the prevailing economic circumstances. Crises limited the capacity of Thatcher and her Treasury ministers to pursue alternative policies motivated by New-Right ideology.

In opposition, Conservative economic policy was driven by an electoral strategy which embraced monetary control as a way of demonstrating that they could govern the country more competently than Labour, while avoiding steps which risked compromising party unity. This supports the statecraft interpretation of Bulpitt (1986). In government, electoral factors were less central than institutional factors to the overall direction of policy change, but the Conservatives were always mindful of preserving their image as competent managers of the state and aimed to ensure, as a minimum, that any policies introduced were compatible with their electoral interests. In both opposition and government, the role of electoral strategy was more salient at particular moments in time. In particular, this chapter shows that electoral considerations gained added significance in advance of the

1979, 1983 and 1987 General Elections (with the direct effect of the electoral cycle being greatest in the case of taxation policy before 1987). Additionally, electoral concerns typically became more important following a mid-term fall in government popularity (or, in opposition, a rise in government popularity), especially where the political difficulties faced by the Conservatives related at least in part to economic performance (such as in 1977-78, 1980-81 and 1988-90).

Chapter 4: Health Care

4.1. Introduction

For the 1970s and 1980s Conservative Party, the NHS was recognised as uniquely politically sensitive. This makes health care policy particularly suitable for investigating how the Conservatives responded to conflicting ideological, institutional and electoral pressures. Even advocates of reducing the role of the state in health care had to contend with public regard for state-funded provision. In her May 1978 Bow Group speech, Thatcher complained that 'In medicine, we are dealing in Britain with a myth, as well as an achievement. The achievement is the Health Service, and the myth is that its establishment necessarily creates a system of public health superior to that elsewhere, where a higher proportion is financed through private insurance' (Thatcher, 1978a). Thatcher expressed frustration that the public viewed state-funded health care as inherently better. Nine years later, in May 1987, Thatcher told Conservative parliamentary candidates that 'You are well aware of our fantastic record on the Health Service, unrivalled by any previous Government' and boasted that the Conservatives had 'greatly increased public spending on health and social services' (Thatcher, 1987a). In the 1978 speech, full of ideological rhetoric and delivered in opposition, Thatcher openly lamented 'the myth' surrounding the NHS's virtues as a state-financed system. In the 1987 speech, during a general election, she sought to co-opt the myth, positioning her government as the NHS's foremost defenders. If Thatcher was camouflaging her genuine views, she was perhaps wise to do so. Crewe (1989, pp. 245-246) highlights that, offered a choice of tax cuts or enlarging public services (with examples listed as 'health, education, and welfare'), the public was evenly divided in May 1979 but opted for expanded public services by (increasingly) large margins over the course of the 1980s. Ideological and electoral demands on health policy were in tension.

The argument of this chapter is that Conservative health care policy from 1975 to 1990 was driven by a combination of electoral and institutional concerns related firstly to the level of NHS resources and secondly to the allocation of responsibility for service performance. In government, the Treasury and its ministers aimed to control NHS expenditure in the short run and feared higher spending in the long run. In and out of office, the Conservatives were highly conscious about the electoral consequences of perceived under-funding or reducing eligibility to receive care free at point of use. The result was restrained expenditure growth, save at moments of greatest electoral risk,

combined with reforms with the dual objectives of delegating responsibility for service outcomes and limiting demands from health authorities for more expenditure. Klein (2001, pp. 149-151) lists multiple explanations for Conservative policy up to the late-1980s NHS reforms and emphasises the challenges of funding the NHS in a context of rising demand. Likewise, Wistow (1992, p. 111) pinpoints financial pressures as the cause of the 1988 review. This chapter confirms the role of financial constraints in shaping the formulation of plans for NHS organisation, as well as in prompting the 1988 review, but the emphasis on this dynamic does not in itself tell us much about why the Conservatives chose the policies that they did. Insufficient resources could have prompted sustained large spending rises (as under Labour) or, from the opposite end of the spectrum, a greater role for private insurance (as Thatcher advocated in her May 1978 speech). Ideological, electoral and institutional considerations may all be relevant, but this thesis aims to go further than Klein (2001) in specifying which motivations were prioritised. Policy decisions depended on how the problem of insufficient resources and potential solutions were interpreted. Electoral and institutional factors pointed to reforming the NHS internally without large spending increases or any meaningful move away from publicly-funded universal health care.

The importance of ideology was limited by electoral and institutional factors. The chapter argues that efforts to restrain health expenditure stemmed from the overall macroeconomic stance of the Conservative government after 1981 and the Treasury's institutional preference for lower expenditure in each department, rather than any abstract desire to reduce spending on health as a public service. The role of ideology was also relatively stable, rather than increasing or decreasing across our period. This argument is contrary to interpretations which imply that the significance of ideology increased across the Thatcher governments. Kerr and Marsh (1999, p. 184) argue that Thatcherites responded to a perceived crisis by drawing upon incongruous policy demands at an early stage before settling on a more harmonised approach by Thatcher's third term. On the surface, the pattern of NHS policy-making can be placed within this interpretation. Efforts to pioneer new management methods were followed by the late 1980s reforms. Yet this evolutionary narrative carries with it the implication that the Conservatives became more ideological with time. In reality, alternative models of health care were considered by Conservative policy-makers from Thatcher's first year as leader to the 1988 health review. While these ideas were consistently present in the background and did not always receive a hostile reception, they were never adopted.

The first section of this chapter operationalises New-Right ideology in the context of health care, outlining neo-liberal and neo-conservative principles as well as questioning the coherence of the Thatcherite ideological programme. The second section argues that the Conservatives in opposition contemplated radical policy options, such as hospital charges, but declined to pursue them on electoral grounds, burying these proposals as the next general election grew closer. Even though they were an opposition party, Conservatives signalled that they would adopt a technocratic approach to NHS policy questions through their deference to the Royal Commission on the NHS. The third section highlights that policies on expenditure, medical insurance tax relief, contracting-out of nonclinical functions and NHS management were all driven by the Treasury's institutional power. NHS policy in Thatcher's first term as Prime Minister is divided into periods separated by the 1981 shift in fiscal strategy, as a result of aggressive efforts to control expenditure by the Treasury and changed ministerial performance linked with Norman Fowler replacing Patrick Jenkin as Social Services Secretary. NHS expenditure was initially protected due to a previous electoral commitment, but health was eventually subordinated to economic imperatives. The fourth section argues that most of Thatcher's second term, up to 1986, saw continuation of first-term trends, with incremental changes to improve NHS management and the Treasury forcing Fowler to accept spending restraint. In 1986, electoral considerations came to the fore, prompting a large rise in expenditure and health policy debates within Downing Street. Radical options for reform were discussed but unpursued. The final section presents the late 1980s NHS reforms as the product of electoral fears about accusations of NHS under-funding, coupled with institutional and political concerns that increased expenditure should not be given to unreliable health authorities without conditions attached. The decision to proceed with the NHS reforms in 1988 was closely tied to the electoral cycle. As before, neo-liberal proposals involving a greater role for private finance were not selected.

4.2. Operationalisation of New-Right Ideology

If the free-market strand of New-Right ideology dominated health care policy-making, we would expect an expanded role for private medicine to have been the primary motivation behind Conservative decisions. Gamble (1994, p. 45) lists expanding private medical insurance as among the aims of the New Right. Iliffe (1983, p. 235) claims that the first Thatcher government wanted the private sector to assume the leading role in shaping the

future of health care to the extent that this was feasible. Insofar as Thatcher personally is concerned, lliffe's point is substantiated by memoir evidence. Thatcher (1995a, p. 607) states that, if starting anew in designing British health care, her ideal system 'would have allowed for a bigger private sector — both at the level of general practitioners (GPs) and in the provision at hospitals; and one would have given much closer consideration to additional sources of finance for health, apart from general taxation.' Ken Clarke, who worked closely with Thatcher on NHS reforms as Health Secretary from 1988 to 1990, confirms that, contrary to his own view, 'Margaret remained privately convinced that the US insurance-based model was the ideal system to follow.' (Clarke, 2016, p. 192). Even though she was willing to appoint health ministers like Clarke who disagreed, Thatcher's ideological preference was for a model with significantly greater roles for private provision and finance than was possible within the framework that her government inherited. In assessing the power of ideology, we must determine what extent policy was made as a result of principled belief in a larger private role in provision and/or finance.

Although the economic liberal aspects of New-Right ideology are most obviously applicable to health care, the conservative dimension of New-Right ideology is also pertinent. Gamble (1994, p. 66) identifies that New-Right conservatives felt a pressing need to restore state authority amid social disarray created by strikes and protests. Gamble (1994, p. 66) also highlights neo-conservative fears about the threat posed by public-sector professional occupations to democracy. Given strike activity and local health bureaucracies, conservative concerns were relevant. This is reflected in the memoirs of Norman Fowler (who was Shadow Social Services Secretary from 1975 to 1976 and Social Services Secretary from 1981 to 1987). Fowler singles out health-service strikes in the Winter of Discontent, commenting that 'The dispute at Ford could at least be seen as a traditional battle between unions and employers. No such excuse could be made for the action in the health service. Public sector unions, notably the National Union of Public Employees, deliberately sought to act against the interests of some of the most vulnerable people in the country.' (Fowler, 1991, p. 101). Fowler's complaint is not violation of market freedom but societal harm caused by immoral choices. While this shows that policy-makers held conservative instincts, did these views determine policy? At either end of Thatcher's premiership, NHS organisation was reformed: the Health Services Act 1980 abolished the middle-tier of administration, between regional health authorities and district health authorities, comprising area health authorities (Finch, 1981, pp. 68-70); the National Health Service and Community Care Act 1990 turned district health authorities' role into purchasing, not

administering, services (Klein, 2001, pp. 161-162). Were these measures were driven by right-wing dislike of public-sector bureaucracy and its implications for democratic government?

The coherence of New-Right ideology as applied to health care is contestable. As noted above, Thatcher's May 1978 Bow Group speech characterised the NHS as an 'achievement' and its superiority to private-based alternatives as a 'myth' (Thatcher, 1978a). This duality reflects that Thatcherites combined conservative respect for tradition, moral responsibility and national pride with anti-statist and individualist rhetoric (Hall, 1983, p. 29). The two facets were not always in agreement. Furthermore, intellectual tensions existed even within the two main sub-categories. Iliffe (1983, p. 245) argues that Thatcherite support for growing private health care alongside existing NHS services, to expand the private sector role, required accepting permanent taxpayer support for businesses which otherwise would not be viable, of a kind that Thatcherites would reject as inefficient elsewhere. Short of abolishing state provision altogether, free-market cases could be made for and against subsidising private medicine. This raises the questions of whether Thatcherites confronted these contradictions and what was the basis for the policy choices ultimately made.

4.3. Opposition

4.3.1. Ideology

Without the constraints of government, the Conservatives under Thatcher positioned their party as defenders of the medical profession. In this respect, opposition made the Conservatives less committed to aspects of their ideology than they may have been in office. The Conservative contrast with Labour was founded on sectional concerns as well as ideology. This created tensions on contentious issues such as remuneration of medical practitioners. Faced with both a junior doctors' strike over pay and industrial action by consultants against ending pay beds (private beds in NHS hospitals), a November 1975 Shadow Cabinet meeting 'agreed that [...] we needed to balance expressions of sympathy for the junior doctors and consultants with our general position' of refusing to 'give comfort or encouragement to industrial action against the Government's measures' (CRD, 1975d). This recognised the difficulty of mixing support for the medical profession with opposition to industrial action. Yet the 'balance' discussed did not hold for long. The

following month, the Shadow Cabinet 'agreed that while urging the doctors to cease their action, we should lay much of the blame for the situation on Mrs. Castle, and urge the Government to refer the pay beds issue to the Royal Commission on the National Health Service, and arrange for an independent audit of the junior doctors' claim.' (CRD, 1975f). With right-wing ideological arguments on each side (opposition to industrial action and support for private practice), the Shadow Cabinet's stance shifted in favour of the medical practitioners' positions on both pay beds and pay (albeit not the method of striking itself), influenced by the chance to criticise Labour and the Conservatives' traditional ties to the medical profession. In the House of Commons during October 1975, Thatcher observed that 'the Government are not likely to be impressed by demands from people in the medical profession who are never likely to vote for the Labour Party' (House of Commons, 1975). Medical practitioners were regarded as Conservatives. Rosamund (1996, p. 186) reminds us that a context-specific approach to Conservative relations with unions is required. The muted reaction to the 1975 doctors' disputes reflected an ambiguous stance to labour demands from the medical profession. If the Conservatives had been in office, they may have found it more difficult to navigate. In opposition, the Conservatives were able to 'lay much of the blame for the situation on Mrs. Castle', Labour's Social Services Secretary (CRD, 1975f). This would not have been practical with a Conservative secretary of state in a similar situation. Whereas a Conservative government may have felt politically compelled to adopt an uncompromising stance, opposition party status allowed greater ideological flexibility.

It is significant that the Conservatives in opposition discussed proposals for fundamentally altering Britain's model of state provision but failed to pursue them. Ideological blueprints were not absent in rhetoric or internal discussions, but did not lead to the adoption of specific policies. Conservative politicians were interested in the health systems in continental Europe, Ireland and the United States, but no alternative model became part of official party policy. In September 1975, Fowler met with Keith Joseph, to whom Thatcher had delegated overall responsibility for Conservative Party policy-making in opposition. Joseph emphasised that 'On the N.H.S. it was important to examine the French system', while Fowler commented that 'we should look at the West German and Dutch systems' and that he would shortly be visiting the United States (Mockler, 1975). Joseph also suggested that the Conservatives should 'look into the feasibility of introducing G.P. charges' and Fowler promised in response that the NHS Policy Group headed by Gerard Vaughan, the Shadow Minister of Health, 'would set out the various options on the N.H.S.

and look into its organization' (Mockler, 1975). In November 1976, Vaughan received a letter from BUPA's Chief Executive, enclosing a paper on the Irish health care system, highlighting a requirement for wealthier individuals to pay for treatment in exchange for a tax exemption (Damerell, 1976). These ideas had previously been submitted to the CRD by BUPA in a letter sent in May 1976, with an attachment stating that 'The basic philosophy of the service is that those who can afford to do so, pay for their medical care, in full' (BUPA, 1976). Despite the consideration given, the Conservatives declined to publicly embrace these proposals. The premier Conservative policy document in opposition, The Right Approach urged that the Royal Commission on the NHS should examine 'systems of health finance that exist in other countries', but this is distinct from committing to changes (Conservative Party, 1976, p. 60). The 1979 Conservative Manifesto lacked even this (Conservative Party, 1979). Buckler and Dolowitz (2012) argue that the Conservatives under David Cameron failed to unequivocally embrace or reject 'Thatcherism'. It is accordingly significant that Thatcher's own tenure was marked by an ambiguous stance on the NHS's future. Conservative policy-makers desired a move away from public provision, but they failed to develop concrete policies to achieve this. This suggests that the power of ideological considerations was weak.

Rather than party members only pushing Conservative politicians in a more ideological direction, party management concerns could also weigh against New-Right ideological beliefs in health-service policy-making. This especially applied to policy on NHS charges, where the financial interests of Conservative members were relevant. The empirical evidence counters the proposition derived from the comparative literature that a strong voice for party members would increase the significance of ideological considerations. Detailing arguments against expanding charges for NHS services, in a June 1977 paper, CRD desk officer Chris Mockler observed that 'it is perfectly clear that we could not expect full support from within the Conservative Party. Our recent private survey suggests that over 30 per cent of Tories are opposed to hospital charges, which represents a substantial number of "defectors" and no doubt this would be mirrored in Parliament' (Mockler, 1977). Thus, the prospect of Conservative disunity deterred against advocating charges for hospital stays. This CRD note reveals that Conservative policy-makers were interested in members' views, but that members were not enthusiastic about new NHS charges, one of the more radical options entertained by Conservative politicians at this juncture. So (2018) argues that opposition parties in majoritarian electoral systems face a choice between satisfying party activists and appealing to the electorate. So's approach

over-estimates the extent to which party members are necessarily driven by ideology. In the late 1970s Conservative Party, party members' feelings presented an obstacle for politicians seeking a move away from health care free at the point of use.

4.3.2. Electoral Politics

While the Conservatives in opposition did not always select the health policies which they believed would be most popular, they consciously rejected policies judged politically unsustainable in electoral or party management terms. This is why policy-makers rejected the introduction of hospital charges but anticipated that they would increase existing prescription and dental charges. In his above-mentioned June 1977 CRD briefing paper, Mockler (1977) argued that supporting hospital charges would lead to 'considerable unpopularity for no obvious gain' and that they could 'expect very considerable opposition in Parliament' (Mockler, 1977). Alongside this, Mockler (1977) noted that 'we will no doubt be increasing prescriptical, dental and optical charges' and that 'None of these measures will be popular and some will be very unpopular indeed. To add to this the imposition of health service charges and consequent industrial unrest could add immensely to the difficulties of a Conservative Government'. Tellingly, Mockler accepted that they would 'no doubt be increasing existing [...] charges' even while acknowledging it could be 'very unpopular indeed', but rejected hospital charges as a step too far. The Conservatives contemplated unpopular decisions, but not policies which would 'add immensely to the difficulties of a Conservative Government' to the point where ministers could not govern effectively. Laver and Sergenti (2011, pp. 206-207) argue that the most successful politicians may be those who pursue their preferred policies while reconciling this with securing electoral support, as opposed to politicians who make decisions solely based on maximising votes. Laver and Sergenti's model can be usefully applied to Thatcher's leadership in opposition. Increasing unpopular existing charges instead of committing greater resources to the NHS was the preferred course, but new charges were deemed untenable. This illustrates the relationship between ideological and electoral considerations in opposition. The Conservatives were prepared to select ideological proposals which were compatible with their political survival, but refrained from adopting policy objectives threatening the viability of a Conservative government.

The timing of Conservative commitments on NHS expenditure highlights the electoral cycle's role in policy decisions. The Conservatives supported higher spending on

the NHS in 1979 to protect their electoral prospects. Evading questions about higher prescriptions charges at a press conference held on 18 April 1979, Thatcher emphasised that 'There's a pledge in the Manifesto not to reduce the resources committed to the National Health Service' (Thatcher, 1979b). In the 1979 Conservative General Election Manifesto, this commitment was phrased as 'It is not our intention to reduce spending on the Health Service indeed, we intend to make better use of what resources are available.' (Conservative Party, 1979). This referred to the amount of spending itself rather than which income sources would finance the expenditure, so allowed for increased charges. Preference for higher charges was more explicit in October 1976 when The Right Approach was published, asserting that 'When the service is short of funds for priority tasks, there is no case for holding down prescription and other charges' and including no pledge on spending levels (Conservative Party, 1976, p. 60). Whereas Thatcher felt obliged to disguise plans to raise prescription charges in April 1979, her party openly called for higher charges three years earlier. The additional commitment in 1979 to protect NHS expenditure represented a substantive change. This can be explained by electoral politics. In her memoirs covering the opposition years, Thatcher recalls that Labour led the media to pursue 'a daily diet of scare stories – ranging from the doubling of Value Added Tax to large cuts in the National Health Service' in the 1979 campaign, presenting the Conservatives with 'a fundamental dilemma' as to whether and how to respond (Thatcher, 1995b, pp. 440-441). The campaign forced the Conservatives into defensive mode on NHS issues. Commenting on Cameron's decision to confirm his commitment to the NHS in his second speech as leader, Bale (2010, p. 162) notes that all Conservative leaders from 1990 have reaffirmed support for the NHS. Despite Bale's choice of 1990 as a dividing line, Thatcher pledged to protect NHS resources in 1979. The distinction is that Cameron did so in his second speech as leader. By contrast, The Right Approach over a year into Thatcher's leadership offered no NHS spending pledge and expressly threatened higher charges. This confirms that proximity to the next general election elevated electoral considerations for Thatcher. She may have been less inclined to embrace the NHS than Cameron, but electoral politics led her to make pledges on NHS expenditure during the 1979 election campaign.

Conservative policy on industrial action by health-service workers in 1978 evolved according to the Labour government's popularity. The Conservatives became more attuned to electoral advantage if Labour appeared vulnerable. When the Labour government commanded public support, the Conservatives advocated compromise in disputes, before urging restrictive legislation when disputes escalated and government popularity declined.

In mid-1978, the Conservatives struggled with the perception that Labour had stabilised the economy. Reporting a public opinion survey to the CRD in May 1978, Conservative polling adviser Keith Britto noted that 'Perhaps the single most important finding arising from the survey is that the electorate feels the present Labour Government has handled the economy well in view of world conditions and the problems they faced on taking over.' (Britto, 1978). In a memorandum to the Party Chairman, Peter Thorneycroft, sent two days earlier, Alan Howarth (CRD Deputy Director) discussed 'how we might intensify our attack on the Left.' (Howarth, 1978). The focus was on directing attention to the radical left rather than the government. This emphasis translated over into policy on strikes. In a June 1978 private notice question regarding an industrial dispute and threatened action by electricians, Patrick Jenkin (Shadow Social Services Secretary from 1976) struck a cooperative note, praising the minister's reply as a 'helpful statement' and asking 'Will he accept that the Opposition more than endorse his view that the key issue here must be the well-being of patients?' (House of Commons, 1978d). David Ennals, the Social Services Secretary, expressed gratitude 'for the way in which he [Jenkin] posed his questions and for the support that he has given to the position that I have adopted.' Parliamentary discussions in December 1978 were more adversarial. Referring to ongoing strikes by the National Union of Public Employees, Jenkin challenged that 'that Government Ministers are contributing to this situation by the legislation that they have passed, and that the trade unions are claiming immunity under that legislation' (House of Commons, 1978e). Whereas the Conservatives felt constrained in June to accept the reasonableness of Labour's position, this feeling had evaporated by December. Hay (1996) has argued that the Winter of Discontent allowed the Conservatives to construct a crisis of the state and establish their own political programme as the only solution capable of resolving that crisis. Jenkin's willingness to use NHS strikes to seek restrictive labour legislation in late 1978 supports Hay's portrayal of the Winter of Discontent as a transformative moment. Yet we should not neglect the earlier period when the Conservatives recognised the difficult political environment facing them. Rather than just responding to crises, the Conservatives adapted their political approach to reflect the government's popularity at any given moment in time.

4.3.3. Institutions

The Conservatives used support for the Royal Commission on the NHS to signal their commitment to institutionally-driven policy-making. This illustrates the relevance of institutional factors for opposition parties, particularly when they wish to limit the incumbent government's capacity to break from institutional constraints. Publicly and privately, Conservative politicians consistently advocated deferring decisions for consideration by the Royal Commission established in 1975. This had two advantages for the Conservatives. First, demanding that policy decisions wait until after the Royal Commission reported undermined Labour's ability to exercise power. Addressing the House of Commons on the question of health-service funding in April 1978, Jenkin stated that, 'As for other changes in the basis of funding the Service, we shall wait to see the report of the Royal Commission. It would be very unwise for any party to commit itself in advance either way.' (House of Commons, 1978c). The emphasis was on what 'any party' should do, not just Conservative policy. By deferring to the Royal Commission, Jenkin discouraged major changes until the Conservatives could return to power. Pedrazzani (2017) highlights that opposition parties often consume parliamentary time to delay a legislative agenda. An opposition party is incentivised to obstruct government policies. Rather than consuming parliamentary time on specific legislation, the Conservatives constrained the Labour government's freedom of action by emphasising the Royal Commission on the NHS.

The second advantage of Jenkin's approach was that deference to the Royal Commission allowed the Conservatives to keep radical options on the table whilst portraying them as part of a technocratic consensus. From this perspective, the Royal Commission represented a form of depoliticisation. At a February 1976 meeting of the Social Services Policy Group, the role of the NHS Policy Group led by Vaughan was discussed. It was agreed that 'The Group should temper its observations because of the Royal Commission but this should not prevent the Group developing its own ideas.' (Mockler, 1976a). Later, in October 1976, the Social Services Policy Group speculated about 'joint financing between the NHS and local authorities', but noted that 'any such reforms should probably be delayed pending the report of the Royal Commission'. (Mockler, 1976b). The Conservatives discussed reforms privately, but they declined to embrace proposals publicly until the Royal Commission reported in the hope that the commission concurred. By the 1979 General Election, the party's manifesto read: 'The Royal Commission on the Health Service is studying the financing of health care, and any

examination of possible longer term changes - for example greater reliance for NHS funding on the insurance pnnciple [sic] - must await their report.' This was the fate of health care insurance models discussed by Joseph and Fowler in September 1975 (Mockler, 1975). Instead of endorsing a shift away from general taxation, Thatcherites hoped to legitimate such a shift by reserving health finance as a policy domain for the Royal Commission. Flinders and Buller (2006, p. 307) define preference-shaping depoliticisation as promoting a discourse which places a decision or question beyond the realms of political debate or government action. This definition is applicable to Conservative opposition positioning regarding the Royal Commission on the NHS.

The localism agenda embraced by the Conservatives under Thatcher formed part of a wider strategy for limiting the influence of opposing interests within health policymaking. Significantly, the Conservatives were committed to these changes by early 1978, prior to the Winter of Discontent later that year, casting doubt on the proposition that institutional considerations only come to the fore in a crisis. Instead, the evidence suggest that institutional considerations become more important for an opposition party where they consider obstacles that their policies may face once they have entered government and plan to deal with them in advance. Conservative politicians anticipated that disaggregating organisational units by disbanding area health authorities increased the likelihood of compliance with mandates to curb expenditure. Jenkin's January 1978 speech in Maidstone endorsed the abolition of area health authorities as well as promising that 'management incentives would be introduced at all levels in order to cut waste' (Conservative Central Office, 1978, pp. 156-157). This was reflected in policy development. The following month, when vetting proposals for a general election anticipated that year, the Social Services Policy Group agreed that 'Administration should be simplified with a single all-purpose District Authority being our main objective' and that district health authorities should be free from district council control (Mockler, 1978). The same document also specified that 'There should be incentive budgeting for health authorities and personal incentives for staff.' The Conservatives desired localisation of accountability, but without any transfer of power from central to local government. Instead, they hoped that incentives would encourage health authorities to follow central direction. Hannigan (1998, p. 309) identifies the Griffiths Report, published in October 1983 in the first year of Thatcher's second term, as heralding the introduction of New Public Management techniques. The reference to 'management incentives' in Jenkin's Maidstone speech suggests that improving the effectiveness of health-service management was central to

Conservative plans at an earlier stage. Rhetorical support for localism obscured an agenda promoting a new approach to management.

4.4. First Term

4.4.1. Ideology

Governing party status reduced the extent to which health policies could be developed in isolation from other government objectives. The Conservatives consequently selected health policies which were less radical than their ideals, particularly where there were fiscal implications. This supports the proposition that governing party status reduces the ideological character of policy-making. In internal policy discussions, tax reliefs for private medicine were presented as both advancing Conservative aims (by incentivising health insurance) and detracting from Conservative aims (by preventing reductions in general taxation). In selecting between these two ideational justifications, the Treasury's institutional opposition to tax reliefs was critical. This curtailed ideological efforts to grow private health care. The Conservative 1979 General Election Manifesto promised to 'restore tax relief on employer-employee medical insurance schemes.' (Conservative Party, 1979). After entering government, the Conservatives remained proponents of spreading private insurance. In a June 1980 memorandum, Mockler observed that private medicine 'is set to expand at a very fast rate and we should welcome this [...] as relieving the strain on the Health Service [...] As promised in the Manifesto we should restore income-tax relief on employer/employee medical insurance schemes' (Mockler, 1980). However, in the 1981 Budget, Howe only restored this relief to workers earning less than £8,500 per annum, leaving a large proportion of those using private health care subject to taxation (House of Commons, 1981). In his letter notifying Jenkin of this decision, Howe (1981a) also denied a request 'for a system of tax relief on private medical insurance paid by individuals, such as is given on life insurance premiums'. Howe accepted 'that such a relief would give encouragement to growth in the private sector', but argued that creating such an exemption acts 'against our principal aim, which is to reduce direct taxation across the board. Every time the tax base is diminished by a fresh tax relief, so too is the chance of bringing down high rates of tax or improving the thresholds' (Howe, 1981a). Yet despite adjustments to thresholds, it was not until 1986 (as an individual initiative that Lawson settled on eleven days prior to the budget) that there would be any new reduction in the

income tax rates (Lawson, 1992, pp. 374-377). In opposing 'encouragement to growth in the private [health] sector', Howe invoked the argument of cutting 'direct taxation across the board', but his decision reflected the Treasury's hostility to tax reliefs and fiscal restraint in 1981 more than any plausible plan to achieve lower tax rates. Klein (2001, p. 103) credits the Conservatives with implementing their 1979 manifesto commitments, including reinstating tax relief on employer medical insurance schemes. Klein overlooks that they did not restore tax relief on employer private health insurance in full. The constraints of government forced the Conservatives to choose between ideological priorities from opposition. The choice rested with Howe at the Treasury, who inevitably favoured his own department's objectives.

Whereas efforts to control costs increased, the Conservatives abandoned any intention of reforming the state's role in health care provision over the first term. This raises the question of whether there is a straightforward relationship between government longevity and the significance of ideology, assuming that cost-control attempts were ideologically-driven at all. Different components of health policy moving in contrasting directions should lead to us to reconsider whether ideological considerations determined policy. During Thatcher's first term, Conservative policy-makers became less favourably disposed to private medicine or overhauling the NHS's financial basis. Contrastingly, the Conservatives increased focus on reducing costs and reforming structures in order to achieve this. Following the Royal Commission's report in August 1979, Thatcher and Jenkin met with Sir Alec Merrison, the Commission's Chairman. The meeting's minute records that Thatcher 'saw a need for much more money coming into the health service from private sources. She drew attention to the health systems of France, Germany and New Zealand. If tax could be reduced the people would be prepared to pay for more services themselves.' (Downing Street, 1979b). Thatcher was disappointed that the Royal Commission's report did not propose greater citizen responsibility for heath modelled on insurance-based systems. Two years later, as discussed, Howe would veto the more modest proposal of tax relief for private medical insurance (Howe, 1981a). Compared to when they entered government, Conservative ambitions as they evolved were less radical. If we consider policy-making on the balance between public and private finance, the proposition that the government would become less ideological over time is fulfilled.

By contrast, Conservative determination to control NHS costs increased with time. If cutting expenditure on the NHS is conceived as an ideological issue, Conservative policy became more ideological as time elapsed in this respect, but it is doubtful whether

decisions on NHS expenditure were made through an ideological lens. The role of the state and the private sector in delivering health care is distinctly ideological, but other factors also influenced expenditure policy. The initial generous settlement for NHS expenditure in 1979 stemmed from a political judgement that they had to match Labour plans at an early stage. However, time in office ultimately made the Conservatives more alarmed about rising health expenditure in the context of their overall fiscal objectives. In an October 1979 draft of the Public Expenditure White Paper submitted by Howe to Thatcher, the section on health noted that 'The Government plans to maintain spending on the National Health Service in 1980-81 at the level proposed by the last Administration.' (HM Treasury, 1979a). Matching the projected spending levels under Labour led to a real-terms UK NHS expenditure annual increase of 9.0% in 1980-81, the highest in any year of the Thatcher governments (Harker, 2019, p. 14). This shows that policy decisions may be less ideological when, early in their tenure, governments feel obliged to mirror their predecessors' policies. However, in their manifesto, the Conservatives merely pledged that 'it is not our intention to reduce spending on the Health Service' (Conservative Party, 1979). This pledge did not require a 9.8% real-terms rise in NHS expenditure in 1980-81. On entering office, even within the terms of what was politically viable, the Conservatives demonstrated no great desire to control NHS expenditure. The abstract ideological desire to cut NHS expenditure may have been present on Thatcher's part, but the measures necessary to achieve spending reductions were not implemented, even within the scope of what was politically achievable. Ideological considerations had little effect on NHS expenditure levels at the beginning of Thatcher's first term.

Subsequently, increased Conservative interest in cutting NHS expenditure after 1981 was not connected to newfound ideological impulses so much as a desperate search for spending reductions consistent with their wider economic strategy. While the Conservatives became more interested in cutting NHS expenditure over time, pressure from the Treasury rather than ideology led to a more radical approach. Fowler replaced Jenkin as Social Services Secretary in September 1981. Pressed to make further cuts, Fowler wrote to Thatcher in November 1981 protesting that a Treasury paper 'does not fully bring out how far I have already gone to help Treasury colleagues.' (Fowler, 1981a). Fowler's minute proceeded to detail concessions he had made, including 'withdrawal of bids amounting £184 million in 1982/83 and more in later years', 'efficiency savings well in excess of those proposed by Patrick Jenkin, fully up to the limit of what is realistic and carrying risks that standards of service will suffer' and 'reducing the proposed growth rate

for hospital and community health services in 1983/84, 1984/85 by half to the minimum of one per cent necessary to maintain standards for the growing number of very old people' (Fowler, 1981a). While Fowler had reason to exaggerate, the letter highlights the changed fiscal environment from 1981, as well as the effect of the transition from Jenkin to Fowler as Social Services Secretary. Dolowitz et al. (1996, pp. 467-469) argue that Thatcher did not come to office with achievable plans for radical change, but the Thatcher governments' policies became more consistent by Thatcher's third term as ministers adjusted to economic and political challenges. This example shows that policy-making began to adjust in response to external pressures in 1981, at a relatively early stage. NHS expenditure was effectively overlooked in 1979, but policy-makers sharpened their focus in 1981. The Conservatives became more interested in cutting NHS expenditure within the life of Thatcher's first term, but this was more closely related to institutional and economic constraints than it was to New-Right ideology.

4.4.2. Electoral Politics

Throughout Thatcher's first term, electoral considerations presented an insurmountable obstacle to fundamental NHS reform. Where proposals for systemic change surfaced, they were avoided. In September 1982, a paper by the Central Policy Review Staff (CPRS) proposed 'considering whether over a period the provision of health care for the bulk of the population could be shifted from the State to privately owned and run medical facilities', with Annex B of the paper detailing a charge for GP appointments (CPRS, 1982). On reading the paper, Thatcher's feared that it would leak, leading the CPRS to withhold circulation, remove the document's annexes and suggest to Thatcher that she should 'keep the deleted Annexes simply as briefing for yourself and the Chancellor' (Sparrow, 1982). Thatcher was right to worry: The Economist obtained a copy of the paper and it was used by Labour in the 1983 General Election (Klein, 2001, p. 119). The attempted suppression of these proposals indicates major political anxiety. The Conservatives were determined not to modify the NHS funding model in a way that created serious electoral difficulties. Mount (Head of Thatcher's Policy Unit), writing to Thatcher in response to the CPRS paper, noted that 'The CPRS performs a valuable task in confronting starkly some of the options', but warned that 'they tend to propose solutions that are so politically difficult that we might be tempted to do nothing and shy away from the whole idea of radical reform' and suggested instead a middle path based on facilitating 'natural growth' in private care (Mount, 1982a).

The 1982 CPRS paper was not the first proposal for GP charges during Thatcher's first term. In December 1979, Howe submitted plans to Thatcher for major spending reductions, noting that on health 'The least unattractive proposal which we can suggest is a £2 charge for each visit to a GP', with the relevant health savings listed in the annex of the proposal (Howe, 1979c). When Howe's formal proposals were circulated to Cabinet in January 1980, no reference to GP charges appears and the required health savings shown in the annex over the same period are detailed as coming from higher prescription charges (Howe and Biffen, 1980). Thus, while Howe suggested GP charges in 1979, the proposal was merely the 'least unattractive' and it was replaced before the Cabinet was asked to approve the package of reductions. Both far away from the next election (in early 1980) and nearer to the next election (in autumn 1982), policy-makers were conscious of popular support for publicly-funded care free at the point of use.

Although the Conservatives recognised the general political risk posed by favouring private over public provision, they were keen on promoting the idea of the private medicine to new audiences (particularly trade unionists). Politically, this offered an opportunity to embarrass unions. In November 1980, Conservative Party Chairman Peter Thorneycroft wrote to Jenkin drawing attention to an NOP survey of trade union members showing openness to private care (Thorneycroft, 1980). Jenkin requested permission to use this finding in a speech and observed, 'This is of very great interest, particularly that the great majority of union members say that they would be in favour of their union accepting a wage deal which included private medical insurance.' (Jenkin, 1980). When the Conservatives restored relief on employer medical insurance in the March 1981 Budget, the move was targeted at workers earning less than £8,500 (House of Commons, 1981). However, the Treasury's motivations for limiting the relief to those earning more than £8,500 appear to have been financial rather than electoral (Howe, 1981a). While Jenkin and Thorneycroft were interested in converting trade unionists into users of private health care, this was more significant for rhetoric than policy. Yet even the finding that electoral considerations shaped Conservative rhetoric on private health care is interesting. In a comparative study of Britain, the United States and Denmark, Hobolt and Klemmensen (2008, p. 326) find that 'rhetorical responsiveness' to public opinion is weak among governments in Britain and that ideology drives British government rhetoric. A role for electoral considerations in shaping Conservative rhetoric is illustrated by Jenkin and Thorneycroft's interest in appealing to trade unionists through advocacy of private

medicine. The relationship between the resulting rhetoric and policy outcomes is more doubtful.

As opposed to the Conservatives protecting NHS expenditure in the lead up to the 1983 General Election, efforts to control health expenditure intensified after 1981. This is significant because it highlights circumstances in which the power of electoral considerations did not increase either as a general election neared or following a mid-term fall in government popularity. In the previous chapter, this thesis found that falling popularity led to a shift from monetary to fiscal tightening in the 1981 Budget. Health did not enjoy the same priority within the Conservatives' policy framework, so electoral issues specific to health were subordinated to economic management. On 11 December 1981, amidst a dispute over nurses' pay, Fowler wrote to Thatcher counselling that 'we must make early and tangible progress towards a new pay system', protesting that 'little progress has been made with the initiative which this government took in August 1980' to guarantee the comparability of nurses' pay in light of the unwillingness of nurses to strike (Fowler, 1981b). On 16 December 1981, Howe wrote to Thatcher insisting that 'If, for example, the nurses are thinking in terms of some kind of standing comparability arrangement, I do not see how we could possibly move in that direction in advance of the Megaw report, if at all. It has to be remembered that since the August 1980 initiative to which Norman refers, the Government has moved decisively away from comparability for its own employees in withdrawing from the pay research arrangements.' (Howe, 1981c). The Treasury's stance on nurses' pay hardened between August 1980 and December 1981, reflecting a less favourable approach to public sector pay generally. This occurred in spite of the political risks of reneging on promises to nurses and the next election getting closer. Soroka and Wlezien (2005, pp. 685-687) argue that British government spending decisions are unresponsive to public opinion in most domestic policy areas, but that health is a partial exception where public opinion affects spending levels. The finding that general economic objectives overrode health-specific considerations in 1981 to 1983 suggests that the electoral importance of health expenditure was conditional on the wider economic and political context.

4.4.3. Institutions

Institutional pressure from the Treasury was a key driver of both reduced growth in health expenditure and efforts to apply new management standards to NHS performance during

Thatcher's first term. Although the pace of NHS expenditure slowed dramatically from 1981, we should not assume that this was rooted in beliefs about the state's role in health care. Wider discussions occurred concerning the balance between state and private provision, involving Downing Street, but these often did not progress substantially and arose from Treasury submissions. For instance, the June 1982 minute to Thatcher from Mount and Walters calling for private finance was a reaction to a study prepared by an inter-departmental group involving Treasury officials and submitted by Howe (Mount and Walters, 1982). The task of controlling expenditure within Thatcher's first term rested on the Treasury's interactions with the DHSS, not radical proposals to reform NHS finance. In particular, the Treasury aimed to control the process of how spending cuts were obtained as well as the amount cut. In February 1981, the Deputy Secretary for Public Services at the Treasury wrote to the DHSS, registering concern at their 'rather disappointing progress' in the area of 'Investment Appraisal' (capital expenditure) and highlighting issues raised by the Treasury 'on which we have not heard from you at all', chief among them 'the general question of NHS performance, efficiency and monitoring.' (Bailey, 1981). This claimed jurisdiction not only over the amount cut, but over mechanisms for delivering cuts. This in turn put the Treasury's role at the centre of NHS policy beyond pure expenditure questions. Whereas the DHSS was in no hurry to pursue the issue, the Treasury was promoting a discourse based on efficiency and managerialism. Bailey's strongly-worded letter was sent in advance of the 1981 Budget, reflecting the importance of macroeconomic imperatives for health expenditure and Conservative prioritisation of economic management over areaspecific objectives. Furthermore, the Treasury letter proposed that 'If any working group is being set up in the DHSS I hope it will be possible for the Treasury to be represented on it.' (Bailey, 1981). Not only were the Treasury seeking cuts, but they did not trust the DHSS to design the requisite processes alone. The Treasury's desire to be represented on a DHSS working group indicates a perception that their presence could affect policy outcomes. The policies promoted by Treasury officials had implications for service organisation and delivery as well as budgetary issues.

One area in which Conservative policy radicalism increased during Thatcher's first term was the contracting-out of non-clinical services, stemming from a Treasury initiative increase the private sector's role in public services. This was a policy where institutional and ideological considerations aligned. Nonetheless, the influence of ideology was tempered by electoral concerns and the Treasury's preference for driving forward implementation over increasing ideological ambition. In a December 1982 letter to

Thatcher, Howe noted that they had 'on several occasions discussed the need to reduce the size of the public sector by contracting out as many functions as possible from central and local government' (Howe, 1982b). This confirms that contracting-out related at least in part to ideological aims. Howe's letter proceeded to outline that he had 'discussed progress' with this agenda, with Fowler and Environment Secretary Michael Heseltine, and attached a draft paper on the next stages, which made references to NHS pilot schemes 'initially of catering and cleaning' (Howe, 1982b). The Treasury was ensuring departmental compliance. Following a conversation with Howe in which Thatcher requested changes to make the paper more radical, the Treasury sent Downing Street a re-draft 'produced by officials' in advance of showing it to Howe 'on his return from Germany tomorrow' (O'Mara, 1982). In a handwritten note that day, Michael Scholar (Thatcher's Economic Affairs Private Secretary) commented to Thatcher, 'The Treasury have pepped up this paper a bit (not very much)', that Fowler and Heseltine 'have much more radical plans' but were worried about the political risk of leaks, and that 'Mr Ridley and the Chancellor think the paper should go round and the conclusions agreed as it will "keep up the momentum with this initiative" (Scholar, 1982a). While ministers had radical intentions, political concerns hindered translating aspirations into official policy decisions. The following day Thatcher approved circulation (Scholar, 1982b). Subsequent to Thatcher's approval, Mount (1982b) wrote to Thatcher suggesting further changes three days later. The paper had already been circulated and it was agreed by the Cabinet that week (Howe, 1982c; Cabinet Office; 1982). Despite Thatcher and Mount's enthusiasm for contacting-out, responsibility for the policy rested with the Treasury, who prioritised creating the impetus for departments to implement contacting-out over maximising the degree of radicalism.

The Treasury was monitoring departmental performance in contracting-out. In an earlier October 1982 letter reporting on progress to Howe, Fowler informed him that 'I shall shortly require [health] authorities to seek tenders for all maintenance contracts in excess of £15,000' and relayed his intention to authorise trialling external auditors for NHS organisations (Fowler, 1982). Under Treasury supervision, the DHSS began to encourage greater contracting-out of non-clinical functions in 1982, whereas the 1979 Conservative Manifesto made no reference to private companies providing non-clinical NHS functions (Conservative Party, 1979). This instance runs opposite to the expectation of governing parties being less ideological than in opposition and a government becoming less ideological with time. This was an exception to the general pattern, underpinned by the Treasury's institutional interest in encouraging spending departments to contract-out.

The 1980 abolition of the Health Services Board (which was charged with regulating the number of pay beds) is best understood as an effort by Conservative ministers to restore their ability to achieve their policy objectives. There was a lack of trust in institutions within the health policy community but outside the core executive. The desire to increase pay beds was secondary to assuring ministerial control within a contentious area. This interpretation acknowledges an ideological dimension to the Health Services Board's abolition, but draws attention to institutional change as a motivation for policy selection. Significantly, the Conservatives sought to increase ministerial power early in the life of the Thatcher administration, rather than waiting for a specific crisis affecting this field of policy. On 15 June 1979, Downing Street received a letter from Jenkin's Private Secretary outlining plans for expanding the provision of private care in NHS hospitals, noting 'that part of the proposals is to abolish the Health Services Board, leaving local management to determine the limit to which NHS facilities can be made available' (Brereton, 1979). Thatcher underlined this section of the letter and handwrote 'Good' next to it. On the face of it, this proposal was concerned with empowering local hospital managers, not ministers. However, the detail of the attached consultation paper specified that 'The chief purpose will be to restore the Secretary of State's discretion to allow NHS facilities to be made available for private patients', while adding that 'the Government does not think it would be acceptable that there should be no ceiling on private practice within the NHS.' (DHSS, 1979). This illustrates the dual motivations. The covering letter from Brereton emphasised the expansion of pay beds and local control. The reality confirmed in the consultation was that abolishing the Health Services Board restored the authority of Conservative ministers in a policy sub-field that they deemed important while retaining a 'ceiling on private practice within the NHS'. The main objective was not expanding pay beds so much as assuring that it was ministers, not the Health Services Board, who controlled the number of pay beds.

The significance of ministerial performance in affecting the balance between institutional and electoral considerations is evident in Fowler's successful request for Gerard Vaughan to be replaced by Ken Clarke as Minister for Health in March 1982. Where a minister was not fully seized of his party's interests, institutional norms were more likely to prevail. In his memoirs, Clarke recalls that Fowler requested him because 'Norman's existing health minister, Dr Gerry Vaughan, was a good guy but he was a bit weak and woolly and Norman had no confidence that he would be able to handle the growing controversies in the National Health Service' (Clarke, 2016, pp. 121-122). The need for a

health minister with political judgement led Thatcher to replace Vaughan despite

Vaughan's medical background. While we must consider the possibility that Clarke in his
memoirs was merely attempting to highlight his own qualities, there is archival evidence
confirming that doubts existed regarding Vaughan's political awareness. In December 1981,
Vaughan submitted to Downing Street a draft reply to a councillor, to be sent in Thatcher's
name, regarding a nurses' pay dispute (Vaughan, 1981). Thatcher commented 'What a
terrible draft letter this is!' and instructed that it be rewritten by the Downing Street
Political Office (Thatcher, 1981a). The re-drafted version, sent back to the DHSS as an
example for future drafts, was more direct in communicating that 'we are doing our best
for the National Health Service' and removed criticism of staff-side negotiators (Thatcher,
1981b). This suggests a perception that Vaughan would approve official drafts without
considering political implications and that Thatcher regarded political judgement as
important. The need for a politically aware minister to ensure that a party's political
interests are satisfied is demonstrated by Fowler's request that Clarke be appointed and
Thatcher acceding to this request.

4.5. Second Term

4.5.1. Ideology

Ideological arguments featured in NHS policy discussions in the later stages of Thatcher's second term, but did not convince her to change course. When faced with proposals in 1986 for market-oriented reform of the NHS, Thatcher displayed interest but judged it unfeasible to proceed. In addition, Thatcher was more interested in pursuing changes elsewhere. Thatcher and close advisers retained an intrinsic preference for private over state provision. In May 1986, seeking to advise Thatcher on policy, her Principal Private Secretary Nigel Wicks contended that 'people turn to the NHS since that is the only way they can improve their standard of health care. And that means, once the efficiency savings are made, more public expenditure. So if the Government is to have a chance of keeping public expenditure down, we need to think more about getting private money into health provision (and into education where there is a similar problem).' (Wicks, 1986b). This note, written by a civil servant close to Thatcher and seeking to assist in realising her wishes, framed private finance as the only means of quelling public appetite for greater expenditure. Yet in the same note, Wicks commented that 'Radical reorganisation of the

cumbersome NHS organisation (Regional Health Authorities, District Health Authorities etc.), even if this is merited, requires legislation and so is probably (but not inevitably) ruled out before the Election.' (Wicks, 1986b). The presence of ideological desire for NHS reform is reflected strongly in Wicks's note, but the measures necessary were deemed administratively and politically impractical. Discussing a January 1987 meeting planning the 1987 Conservative Manifesto, Thatcher recalls in her memoirs that 'I was reluctant to add the Health Service to the list of areas in which we were proposing fundamental reform not least because not enough work had yet been done on it.' (Thatcher, 1995a, p. 571). By contrast, the 1987 Conservative Manifesto promised major changes in secondary education, ranging from the creation of a national curriculum to the creation of grantmaintained schools (Conservative Party, 1987). Dorey (2014, p. 113) highlights the radicalism of the education reforms that followed. Relative to schools, health was not prioritised in 1987. Thatcher was sympathetic to a more ideological approach, but was not prepared to commit to it during the second term, even as an ambition for later. Ideological influences were restrained by the next election's proximity, a lack of administrative preparation and a conscious decision to prioritise contentious reforms in other areas of public policy.

The irony of Thatcher's decision to delay reform is that the need to develop new policies early in the 1983 to 1987 Parliament had been anticipated in 1983. In his briefing for Fowler after the 1983 Election, Ken Stowe (DHSS Permanent Secretary from 1981 to 1987), warned that, 'there are now commitments on social services [covering the NHS and social security] which cannot be squared with public expenditure plans' and 'The lesson to be learned [...] about the last Parliament was that all the difficult decisions were deferred until the end of the third year – and then the issues had to be shelved or buried' (Stowe, 1983). Stowe recommended preparations so that Fowler would 'face the fourth year (starting November 1986) with established policies which are by then bearing fruit. My fear is that if we here do not start on this process very soon, events will again compel the Treasury/CPRS/Cabinet Office to do so but too late' and with 'the assumption that it is the policies for the social services which must change – maybe they should, but there are other options' (Stowe, 1983). Stowe's latter comment anticipated that the 'Treasury/CPRS/Cabinet Office' would favour lower expenditure over honouring commitments to social services. Stowe's fears were borne out by subsequent events. In March and April 1986, political advisers to Thatcher prepared proposals for NHS reform after a realisation that the Conservatives' approach to the NHS had lost focus (Redwood,

1986; Willetts, 1986). The note from Wicks to Thatcher in May 1986 reflected a desire for a more radical approach to health policy coupled with an acknowledgement that it was too late to embark on major changes, particularly those that would require legislation (Wicks, 1986b). This was consistent with Stowe's 1983 prediction that the core executive would turn attention to reform by 1986 but that it would then be 'too late'. The task of rethinking the NHS was left to advisers around Thatcher. This did not begin in earnest until it was too difficult to commence reform.

While Stowe's July 1983 letter lamented slow progress in Thatcher's first term, such policy changes as were eventually implemented in her second term were less extensive than in the first term. This supports the proposition that greater government longevity reduces the ideological character of policy-making. Relative to the abolition of area health authorities in Thatcher's first term, both the 1983 Griffiths Report and the Conservative policies in response to it were unambitious. The report was issued in October 1983 recommending the creation of an NHS Management Board and the appointment of general managers for hospitals and other units with the NHS (Griffiths, 1983). The foreword promised that none of its recommendations required legislation, whereas the abolition of the area health authorities initiated by Jenkin required the Health Services Act 1980 (Finch, 1981). In December 1983, Mount wrote to Fowler on next steps after the Griffiths Report, before a Downing Street seminar on DHSS matters, but the agenda for the seminar was later expanded to resolve an inflamed DHSS-Treasury dispute over short-term spending (Mount, 1983d; Turnbull, 1984). Concluding a debate on the Griffiths Report in May 1984, when the government had not yet announced the report's final acceptance, Clarke emphasised that 'I entirely agree with those who say that they do not want the turmoil of full reorganisation again. I took on this job when the process of the last reorganisation was under way. The last reorganisation was desirable as it took out a tier of administration and got more responsibility down to the districts, nearer to patients. The process of implementation was extremely difficult and put great strain on the staff.' (House of Commons, 1984a). Clarke defended Jenkin's re-organisation in principle, but indicated that the experience had taught him that attempting another could have negative consequences. Hall (1989, p. 11) highlights that political and economic ideas are more likely to be accepted where similar policies in the past are associated with favourable outcomes. Conversely, where the perception of similar past policies is negative, the likelihood of a policy being selected diminishes. This applied in the case of organisational re-structuring following Jenkin's reforms. Whereas the Conservatives embarked on a reorganisation at the start of

the first term, Clarke was less inclined to be radical in 1984 than Jenkin had been in 1979. Schumacher et al. (2015) find that a party which is frequently in office is more likely to become adverse to electoral downsides from policy choices when it is in government compared to when it is in opposition. Greater Conservative reticence about NHS reform after several years in government provides an example of risk aversion increasing over time.

Conservative members exerted pressure on the party centrally and parliamentarians on health, but this did not necessarily lead to policies more aligned with New-Right ideology. On the issue of prescription charges, party members' expressed views opposed one of the few government measures countering the model of free public provision. Ministers favoured charges as a means of increasing resources without higher revenue expenditure. Addressing the House of Commons in March 1985, Fowler argued that 'If we want to see more resources going to the health service, charges must make a contribution to that growth,' implicitly rejecting higher taxation as an alternative (House of Commons, 1985). Party members were unenthusiastic about transferring the cost of prescriptions to patients. For example, the Secretary of Workington Conservative Association wrote to Conservative Central Office in May 1985 posing the question: 'Does the government realise the burden being put on its supporters who are just above the level where they obtain supplementary prescription benefits – i.e. those people who have saved for a 'rainy day' – by increasing prescription charges.' (Conaway, 1985). Henry Purcell, Deputy Central Office Agent for the North West Area, forwarded the letter to Robin Harris (CRD Director) adding 'I am afraid this letter is indicative of the sort of points we are getting from time to time around the constituencies' (Purcell, 1985). Purcell's comment suggests that this is not a situation where Workington Conservative Association was out of step with Conservative members more widely in its opposition to prescription charges. The CRD also received complaints from associations on other issues, including the withdrawal of subsidies from opticians from North West Norfolk Association in January 1984 and a letter from Ian Gilmour (a One-Nation Conservative MP) claiming (possibly as cover for his own views) that his association asked him to complain about NHS manpower cuts in December 1983 (Gilmour, 1983; Warren, 1984). These complaints were not right-wing in character. Party members who are ideologically out of place are sometimes classed as a distinct minority (Haute and Carty, 2011). Other research has argued that a majority of party members are not closely aligned with their party's ideological position (Kölln and Polk, 2016). On NHS charges and decisions affecting professional livelihoods (like ending

opticians' subsidies) such evidence as exists suggests that members disliked NHS policies rooted in economic liberalism. This casts doubt on the proposition that party members necessarily push politicians towards more ideological positions.

4.5.2. Electoral Politics

The case of NHS expenditure in the mid-1980s highlights the role of political pledges in securing outcomes which might otherwise have been thwarted by ideological or institutional agendas. Rather than electoral politics being solely a concern of politicians, public pledges ensured that electoral considerations were effectively considered by officials. Negotiations between the Treasury and the DHSS were framed around statements by ministers committing to provide resources to NHS programmes. In July 1983, Fowler wrote to Peter Rees (Chief Secretary to the Treasury) quoting a commitment by Thatcher to NHS spending figures published in the Public Expenditure White Paper during the previous election campaign, arguing that only 'upward rather than downward review' should be considered (Fowler, 1983). Upholding such pledges had to be factored into policy decisions. Civil servants as well as ministers drafted policies and argued cases based on promises made for party-political gain. Preparing for 1985 Public Expenditure Survey discussions, a finance official at the DHSS distributed a minute advising his colleagues that the Treasury would likely question 'the extent to which the Government really is committed not to introduce sight tests fees, or fees for dental examinations' and referenced defensive material quoting comments by Fowler and Clarke which could be used to establish the government's commitments (Burns, 1985). In their dispute over whether to introduce sight tests and dental charges, the Treasury and the DHSS were compelled to consider the wording of political commitments entered into by ministers. Brouard et al. (2018, p. 915) suggest that electoral promises are more likely to influence legislation than public expenditure patterns due to budgetary constraints. This research shows that electoral pledges formed an important part of public spending negotiations during the Thatcher governments. Butler, who was Thatcher's Principal Private Secretary for three years before becoming the Treasury's Second Permanent Secretary and lead official on public expenditure from 1985 to 1988, noted in his interview, 'Past ministerial statements and ministerial promises obviously did play a big part in political discussions about particular programmes. [...] It often was a case of how you could reach an accommodation which was as consistent as possible with what the government had previously said and yet still

achieve the government's aim.' (Butler, 2019). Civil servants were constrained to work around political promises. Pledges embedded electoral considerations within official processes.

The effect of electoral concerns on policy increased with proximity to the 1987 General Election. The salience of electoral factors was also heightened by adverse political conditions. By mid-1986, policy-makers were grievously worried about criticisms of NHS under-funding and performance failings. Butler noted in his interview: 'I do recall health expenditure being a big political issue. In 1986, I particularly recall that the Prime Minister, Margaret Thatcher, was very indignant that hospital waiting lists had not been brought down.' (Butler, 2019). In the May 1986 minute from Wicks to Thatcher on health, Wicks noted that the Cabinet had agreed 'a concerted effort [...] to ensure that the Government's achievements providing additional resources for the NHS were presented as effectively as possible' and suggested Thatcher tell ministers in a meeting dedicated to NHS issues that 'So far the Government has not persuaded people of the real improvements in NHS facilities.' (Wicks, 1986b). An attached note from Bernard Ingham, Thatcher's Chief Press Secretary, was notionally focused on the presentational side of the initiative, but was expressly concerned with how to run a campaign which 'takes credit for additional spending within overall priorities' going to the NHS (Ingham, 1986). The NHS's financial settlement in 1986-87 saw a real-terms increase of 4.5%, the second-largest rise in healthservice expenditure during the Thatcher governments and double any of the rises over the preceding five years (Harker, 2019, p. 14). This constituted the 'additional resources' referenced in Wicks's minute and which the Cabinet wished to highlight. The decision to increase expenditure after criticism on NHS funding conforms with research suggesting that governments respond to public opinion when in a difficult political environment (Hobolt and Klemmensen, 2008, p. 332). This confirms the proposition that a mid-term fall in government popularity increases the salience of electoral considerations.

Equally, it seems unlikely that such a large rise would have occurred without an election on the horizon. It is difficult to distinguish between the proximity of next election and public concern in determining why the Conservatives opted to increase health spending. In May 1986, Sherbourne (Thatcher's Political Secretary) sent her a minute recommending the creation of an NHS policy group, 'To put forward initiatives on the NHS which, in addition to their intrinsic worth, would help show the public' that the government cared about the NHS, concluding that 'The overall objective should be that after six months and then twelve months there was [sic] a real improvement in public perception of our NHS

achievements.' (Sherbourne, 1986). Sherbourne's timetable for improving perceptions followed the lead-up to a general election to be held in the following year (which ultimately occurred in June 1987). In his interview, Sherbourne recalls, 'As a general rule, as we approached what could well be an election, the last six or nine months before June 87, we were always conscious about: do we want to do anything here which is going to cause a problem?' (Sherbourne, 2018). This confirms the influence of electoral proximity on policymaking. At a November 1986 meeting of the party's electoral strategy group, Norman Tebbit (as Party Chairman) reported grim NHS findings from 'opinion research in the summer', with the caveat 'that since then the Secretary of State's successful efforts to defend the Government's record might have somewhat improved the picture.' (Conservative Party, 1986a). While Tebbit referred to Fowler's presentational efforts, this activity was underpinned by the 1986-87 expansion in NHS expenditure. This example supports the proposition that electoral considerations increase in importance nearer to elections.

Advocates of a more economically liberal agenda for the NHS opted make an electoral case for pursuing alternative approaches. The reliance on political arguments by Thatcher's policy advisers reflected the primacy of electoral politics. In a memorandum for Thatcher in March 1986, David Willetts, who led on health within the Prime Minister's Policy Unit, argued that 'you need policy initiatives to show that this Government has its own contribution to health care', noting that 'In their bones, [voters] do not believe a Conservative Government cares about the Health Service in the way that a Labour Government does. So you need distinctively Conservative themes for the Health Service. That is why talking about higher spending won't work.' (Willetts, 1986). Having rejected increasing expenditure, Willetts recommended reforms to primary care and hospitals based on 'the themes of choice, standards, efficiency' where the Conservatives had a perceived advantage. This presented an electoral justification for policy changes influenced by neo-liberal economics and reflected a focus on redirecting political debate towards favourable terrain. Writing on Conservative statecraft under Thatcher up to 1983, primarily regarding economic policy, one of the objectives identified by Bulpitt (1986, pp. 21-22) is political argument hegemony. Willetts's memorandum suggests that a similar thought process to Bulpitt's concept of political argument hegemony was employed by some Conservative policy-makers addressing health when Bulpitt wrote.

Although Willetts saw political advantages in reform, Thatcher was reluctant to embrace radical change. In his interview, Sherbourne (whose tenure as Thatcher's Political

Secretary was 1983 to 1987) recalls that, 'there was no radical reform of the NHS at that time and really it was partly because of the sensitivity of the subject. She did sense this was, "You tamper with this at your peril." (Sherbourne, 2018). Sherbourne (2018) also observed that 'She was very nervous about being radical because of the fear of being seen as attacking the NHS.' Conservative anxiety extended to the subject of private medicine. In July 1984, Adam Ridley (as Lawson's special adviser) wrote to Sherbourne with costings of a proposal by Labour spokesman Michael Meacher to nationalise all private medicine (Ridley, 1984c). Asked about the topic, Sherbourne did not recall Ridley's letter but commented that 'Mrs Thatcher was always sort of half-tempted every now and then to look at whether we should give people who paid for their private health insurance, whether that should be a tax-deductible expense. I think I and a lot of people were always very nervous about that, because we thought it would be just politically provocative, unnecessarily so.' (Sherbourne, 2018). Concern about adverse political reactions reflected a more cautious assessment of the electoral environment than Willetts's expectation that reform would reset the narrative in their favour. Despite Thatcher's sympathy for neo-liberal proposals, electoral considerations were an obstacle to their progress.

4.5.3. Institutions

The Treasury and the DHSS's rival institutional objectives led to modest, carefully-negotiated increases in NHS expenditure. Whereas the Treasury strongly pushed for greater reductions, the DHSS was inclined to defend its budget. Harker (2019, p. 14) records that NHS expenditure fell from 4.4% to 4.1% of GDP between 1982-83 and 1985-86, but enjoyed annual real-terms increases from 1983-84 onwards of 2.1% (1983-84), 0.3% (1984-85) and 1.2% (1985-86). This modest growth was the product of tough negotiations. At the outset of the Parliament, the Treasury sought to backtrack on agreed figures and Fowler resisted. At an October 1983 meeting between Fowler and Rees, Fowler objected that the proposed agreement 'would produce a lower cash figure for 1984-85 than had been published in the last White Paper' and, when faced with a Treasury proposal to alter the figures' presentation to disguise this, 'expressed great reservations about changing the figures in the body of the Table to a gross basis' (HM Treasury, 1983). Fowler ultimately accepted the lower figure with an accompanying presentational change, subject to the condition that 'he would find his position very difficult and possibly untenable if the details leaked before the Autumn Statement' (O'Mara, 1983). This reveals that Fowler's greatest

concern in resisting the cut was not Conservative electoral interests or the change's merits, but his ministerial credibility if the concession was publicly acknowledged. This confirms that policy-makers were interested in protecting their own interests and departmental interests as well as delivering wider objectives. On expenditure, the Treasury waged battle against not only Fowler, but district health authorities. Rees wrote to Fowler in January 1984 urging him to reject health authority plans for manpower controls on the grounds that they were insufficiently stringent (Rees, 1984). The DHSS was frustrated in reverse, with its Second Permanent Secretary minuting, reacting to an earlier letter that month, that Rees 'deserves some sharp retorts in order to restore the position' ahead of a Downing Street seminar covering rising expenditure on family practitioner services (Otton, 1984). Thatcher had let it be known that she concurred with the Treasury (Turnbull, 1984). The Treasury wished to constrain the DHSS Budget, whereas DHSS officials wished to protect it. Thain and Wright (1995) discuss the change from volume to cash planning of public expenditure in 1982, resulting in situations where real-terms forecasts could not be fulfilled where inflation outran cash growth. The October 1983 meeting reveals that the Treasury was also willing to revisit cash prior commitments. The Treasury's refusal to concede led to the low rate of real-terms growth ultimately recorded for 1984-85 (0.3%), the joint-lowest annual rise in NHS spending of the Thatcher years (Harker, 2019, p. 14). The Treasury's institutional mandate to control public expenditure resulted in a period of restraint in NHS budgets.

Reducing central government's accountability for NHS outcomes was a key driver behind mid-1986 reform proposals. As the next section on Thatcher's third term will illustrate, successfully adopting a reform agenda required enthusiastic, proactive ministers, but incentives to reform existed earlier than political will. Thatcher's policy advisers presented a case for changes in NHS management on the basis that the proposals would secure the elected government's interests relative to bureaucrats and sectional interests in the NHS. In April 1986, Thatcher received a minute arguing that managers should become accountable for raising standards on waiting times and hospital cleanliness, authored by John Redwood (who headed her Policy Unit from 1983 to 1985 and still advised Thatcher following his selection as a parliamentary candidate). Redwood (1986) observed that 'We are still making no progress in persuading people of our good intentions towards the health service.' The paper stressed the imperative of linking new 'management initiatives' to 'improvements' in outcomes, adding that 'Failure to deliver can then be distanced from the government' as managers would be responsible for delivery (Redwood, 1986). This

identifies re-allocating responsibility for failure as a motivation behind delegating responsibility to NHS managers and as a way of protecting the Conservatives. The policy had institutional, electoral and ideological merits. This approach was recognised as distinct from vote-seeking policies such as increasing NHS resources, which Redwood dismissed by noting that continuing that 'there will never be enough [money], and no given increase [in spending] of itself will ward off criticism' (Redwood, 1986). The rationale invoked by Redwood (1986) was similar to that advanced earlier by Willetts (1986) in March 1986 in making a case for an NHS initiative emphasising standards and choice. Redwood and Willetts were not successful at this stage. In June 1986, the Cabinet agreed to renew efforts on publicity for increased expenditure being provided to the NHS (Wicks, 1986c). Such a strategy was precisely what Redwood counselled Thatcher against. In this instance, short-term electoral considerations prevailed over policies intended to delegate responsibility.

Lack of ministerial support for more ambitious reforms limited the extent to which these proposals could progress. Institutional constraints can exert a powerful influence where departmental ministers are not actively promoting party priorities. The most strident advocates of policy change were located in Thatcher's Policy Unit. By contrast, there was little appetite for the Policy Unit's neo-liberal vision from Fowler or the DHSS bureaucracy. In September 1983, Mount commented that 'The DHSS is, I think, a little defeatist and defensive' on health expenditure in a Policy Unit minute to Thatcher (Mount, 1983b). This reveals frustration regarding the DHSS's unwillingness to be bolder. During discussions on NHS policy in May 1986, a draft version of a minute from Wicks for Thatcher included the warning that 'Mr. Fowler will need extremely careful handling. You want to make him believe that initiatives agreed are a result of his own decision.' (Downing Street, 1986). This indicates an expectation of ministerial resistance. Earlier, Thatcher's copy of Redwood's April 1986 minute was 'much underlined', indicating interest, and she requested that its argument 'be put direct to Norman Fowler and Barney Hayhoe [Clarke's successor as Health Minister]' (Wicks, 1986a). However, Wicks noted that he 'could just send it direct to DHSS Private Office, but I have the feeling that that might not get it off to the best start.' (Wicks, 1986a). This indicates fear that either ministers themselves or DHSS officials would respond unfavourably to Redwood's proposal intended to protect government by re-allocating responsibility for 'Failure to deliver' standards promised to voters (Redwood, 1986). Indeed, the policy would have undermined DHSS efforts to secure greater expenditure and provoked other health policy actors. Instead, Wicks requested that Redwood discuss with the Policy Unit 'how the Prime Minister's wish might best be carried

out.' (Wicks, 1986a). Fear of an adverse departmental reaction to Redwood's proposal prevented it being formally pursued. Blondel and Manning (2002) highlight ministerial unreliability as an explanation for the failure of governments to enact their objectives. The fate of Redwood's minute suggests that bureaucratic constraints (in this case, the DHSS's anticipated opposition) became more limiting where ministers could not be not trusted to support policy change.

4.6. Third Term

4.6.1. Ideology

Based on the substantive content of policies officially adopted, legislation introducing the internal market in the 1990 marked NHS policy under Thatcher at its most radical. From that perspective, the policy casts doubt on the proposition that the significance of ideology decreases with government longevity. Thatcher initiated a health review in January 1988 involving the DHSS and the Treasury (Klein, 2001, p. 149). The January 1989 White Paper Working for Patients proposed introducing a purchaser-provider split, to be attained by allowing hospitals to obtain self-governing status as trusts independent from district health authorities and GPs to apply for budgets to purchase services for patients (Department of Health, 1989). These reforms were contained in the National Health Service and Community Care Act, enacted in June 1990 but only implemented in April 1991, after Thatcher's premiership (Klein, 2001, p. 161). These policies had a source of intellectual inspiration. In her memoirs, Thatcher credits the American economist Alain Enthoven for 'advancing ideas about creating an internal market in the NHS, whereby market disciplines would be applied even though a full-scale free market would not' (Thatcher, 193 p. 607). Likewise, in his memoirs, Ken Clarke (Health Secretary from July 1988) records that it was Enthoven's work which convinced him to pursue a purchaser-provider split (Clarke, 2016, p. 193). This highlights the role of intellectual influences on the late-stage health reforms. While the reforms did not involve private provision or finance, the idea was to impose business values through competition within the NHS internal market. As Schumacher et al. (2015) posit that parties frequently in government become risk-adverse in office, it seems curious that the Conservatives pursued a more radical policy in their third term.

However, if we examine the motivations behind the decision, we should reject the argument that Thatcher was primarily driven by ideology in pursuing NHS reform in 1988.

The reform process had an ideological dimension, but political pressures and an intervention from Lawson persuaded Thatcher that reforms were required. Significantly, Thatcher herself was uninterested in health reform following re-election. In her memoirs, she notes that housing and education were 'top of the list for reform in 1987', but that she 'had reserved Health for detailed consideration later.' (Thatcher, 1995a, p. 606). Thatcher's reluctance to revisit health reform in 1987 is also evidenced in Lawson's memoirs, wherein Lawson claims that John Moore, who succeeded Fowler as Social Services Secretary in June 1987, 'had suggested embarking on the reform of the Health Service to Margaret shortly after his appointment the previous June, and she had firmly warned him off it.' (Lawson, 1992, p. 614). In Lawson's account, he had the pivotal role in persuading Thatcher that January 1988 was the time to proceed. Lawson claims that he advised Thatcher before a dinner 'towards the end of January 1988' that NHS reform needed to be tackled because demands for more funding 'were almost impossible to resist' and 'we had to ensure that, if we were going to give significant extra taxpayers' money to the NHS, we would get real value in terms of improved patient care.' (Lawson, 1992, p. 614). Similar language appears in Thatcher's memoirs: 'the pressure to provide more money for the Health Service was proving all but irresistible.' (Thatcher, 1995a, p. 608). Lawson has an incentive to emphasise his own pre-eminence in policy-making. A Downing Street briefing note for Thatcher in advance of a December 1987 meeting with Lawson shows that the NHS was on the agenda because 'the Chancellor may have useful suggestions on how to take this forward', although the same note also records that Thatcher already planned a Green Paper (Norgrove, 1987d). This demonstrates that Lawson was engaged in discussing the issue with Thatcher, but also that Thatcher saw NHS reform as an objective before the meeting described in Lawson's memoirs in the latter half of January 1988. Regardless of chronology, Thatcher and Lawson's memoirs illustrate that it was the politics of NHS finance which led the Conservatives to embrace service reforms in 1988. The motivation for pursuing NHS reform, at this late stage, was growing financial and political pressure requiring a policy solution in an area which Thatcher otherwise strongly hoped to avoid. As such, Conservative pursuit of reform in their third term does not undermine the proposition, that ideological considerations become less important with time, as much as it might appear to do so.

We should also reflect on the more radical options which Thatcher or her advisers favoured but which were not pursued. The Conservatives continued to reject neo-liberal options for an insurance-based system. The absence of any shift towards private-based

health care was not for a lack of ideas. In a paper faxed on Christmas Eve 1987, Redwood (now an MP and still advising informally) wrote to Thatcher lamenting the power of labour interests in the NHS and proposed 'attacking the direct labour organisation by introducing a healthy dose of private sector hospital treatment with a voucher for all NHS patients.' (Redwood, 1987). While favouring vouchers, Redwood also outlined the more radical alternative of a 'compulsory health insurance route' which removed health care from general taxation, stressing that this should be 'clearly identified with a rebate scheme for those who opted out.' (Redwood, 1987). Likewise, in a paper sent to Thatcher in January 1988, Willetts (who had moved from the Policy Unit to become Director of the CPS) contended that 'John Moore is right when he argues that better management and efficiency are not enough on their own', arguing that new private finance for health care was essential (Willetts, 1988). The paper dismissed vouchers as an option due to variations in costs across age groups, but outlined alternatives such as 'sponsorship by local companies of wards in local hospitals', sharing hospital sites with private providers on a '50/50 split', a large expansion of pay beds and incentivising employer medical insurance by removing state funding of sick pay (Willetts, 1988). Proposals did not only come from former Policy Unit members. John O'Sullivan, who now had responsibility for health within the Policy Unit, submitted a paper at the beginning of the review rejecting 'a larger contribution for the NHS from the National Insurance stamp' on its own, but argued that it should be pursued 'As the first step to full NHS funding by social insurance' (O'Sullivan, 1988a). Thatcher herself favoured radical options in principle. Following his appointment as Health Secretary, Clarke recalls that Thatcher 'explained to me at our first one-to-one policy discussion that the government would provide a residual system in which the taxpayer would pay the premiums for that section of the population who could not afford to buy their own insurance, and these premiums would purchase a basic system of essential care at minimum standards.' (Clarke, 2016, p. 192). Options entailing a major move towards private finance for the NHS were in circulation and Thatcher was naturally inclined towards them. It is significant that these options were never seriously pursued.

In finding that that Thatcher failed to select neo-liberal proposals furnished by her advisers, this thesis provides context to the discontentment felt by right-wing intellectuals towards the Thatcher governments noted in the existing literature. This finding also calls into question the relationship between neo-liberalism and policy decisions. New-right intellectuals had access to Thatcher and used this to present their proposals, but failed. The CPS, the think tank which Thatcher herself co-founded with Joseph, felt that it had virtually

no influence after 1982 (Cockett, 1995, p. 316). When Willetts submitted his January 1988 note, proposing dramatically expanding private finance in the NHS, he had moved from Thatcher's Policy Unit to become Director of the CPS (Willetts, 1988). That these proposals went unheeded reflects the diminished role of New-Right thinkers by the late 1980s. Thatcher received their ideas, but did not act on them. The significance of this non-decision should not be underestimated. Jackson (2012, p. 60) argues that neo-liberal think tanks were disillusioned in particular by Thatcher's failure to reform the NHS and education in favour of private provision, which interested them more than limiting union power or expanding home ownership. If policy areas such as health and education are given appropriate weight, the role of ideological considerations within the Thatcher governments accordingly appears to be weaker. The impact of neo-liberal influences on Thatcher's health review was limited.

Both Thatcher's lack of enthusiasm about NHS reform in 1987 and the failure of the most radical options to be adopted indicate that the relationship between New-Right ideology and the late 1980s NHS reforms has been exaggerated. In the existing literature, the late 1980s are presented as a breakthrough period for a radical variant of Thatcherism which was previously suppressed (Moon, 1994, pp. 47-48; Jessop, 2015, pp. 5-6). Gamble (1994, p. 155) points to an ideological wave around the 1987 General Election and cites Thatcher's NHS reforms as part of this alongside education and local government finance. Yet Thatcher did not intend health reforms to form part of the more radical measures introduced in 1987. The motivations behind NHS reform need to be considered separately. The archival evidence reviewed proves that there was discussion among Thatcher's advisers of radical options for reform, altering the financial basis of the NHS (Redwood, 1987; O'Sullivan, 1988a; Willetts, 1988). However, none of their ideas made it into the January 1989 White Paper Working for Patients (Department of Health, 1989). In his memoirs, Clarke claims that he was aware that the Policy Unit was working in the background but never so much as spoke to Willetts (Clarke, 2016, p. 192). Thatcher selected a Heath Secretary in Clarke with whom she knew had significant 'philosophical differences', but regarded as capable, to replace the self-identifying Thatcherite John Moore (Thatcher, 1995a, p. 614). This implies that she wanted to limit her radical instincts. The failure of Redwood, Willetts and O'Sullivan's proposals suggests that ideological influences were present but significantly restrained in the formulation of NHS reforms.

4.6.2. Electoral Politics

The timing of Conservative interest in NHS reform, shortly after the beginning of a new parliamentary term, affirms the proposition that governments are less sensitive to electoral concerns at the beginning of a new mandate. Despite Downing Street discussions about possible reforms in the previous term, it was only in a new term that the Conservatives pursued this. In the briefing note for Thatcher by her Economic Affairs Private Secretary David Norgrove before her December 1987 meeting regarding the NHS with Lawson, she was advised that 'If a Bill [for the NHS reforms] cannot be introduced in November 1989, I assume you would not want to introduce such a major and controversial piece of legislation in the last Session of the Parliament, and it would then slip into the next Parliament.' (Norgrove, 1987d). Norgrove was conscious that Thatcher 'would not want to introduce such a major and controversial piece of legislation' late in the Parliament and speed was essential. Policy-makers recognised the electoral consequences of the policy and planned to act earlier accordingly. In justifying his decision to propose NHS reform to Thatcher in January 1988, Lawson reasoned that 'Had we said anything about it in the manifesto, it would have been disastrous. The start of the new Parliament was the only practical time to consider the matter.' (Lawson, 1992, p. 614). In relation to fiscal policy, Klomp and de Haan (2011) argue that decisions are only shaped by the electoral cycle in the short term before a general election. In the case of NHS reforms, anticipation of future elections influenced plans after the 1987 Election. Electoral considerations can influence policy-making the period at the beginning of a new mandate as well as the end, as they can provide an incentive to bring potentially unpopular policies forward.

Significantly, Thatcher failed in her 1990 attempt to persuade Clarke to halt the reforms on electoral grounds, revealing the political and institutional obstacles to vote-maximising. Norgrove (1987d) had predicted that Thatcher 'would not want to introduce' NHS reform legislation late in the Parliament. In mid-June 1990, with legislation passed but implementation yet to begin, Thatcher arranged a seminar with Clarke, Department of Health officials and several businesspeople, at which she argued that 'The [Department of Health's seminar] presentation had rightly noted that the overall purpose of the reforms was to create a new internal market [...] yet at other times the need for firm controls to prevent other than marginal changes in the first year had been emphasised. It was not clear that this apparent potential conflict in objectives had been resolved.' (Potter, 1990c). At the eleventh hour, desperate to delay implementation, Thatcher invoked inconsistency

between liberal and conservative aims (introducing market freedom and strengthening central control to enforce this). She subsequently wrote to an external attendee (Derek Rayner) to criticise 'the quality and depth of the Department of Health's presentation [at the seminar]. It was rather too general in nature: I fear we have not yet fully explored the potential scale and difficulties in implementing the reforms – let alone identified the right way forward.' (Thatcher, 1990c). Thatcher did not trust the department and doubted if the reforms were 'the right way forward' at all. Clarke's memoirs record that, after several meetings, Thatcher was forced to accept implementation (Clarke, 2016, pp. 210-212). Thatcher's concession came on 3 July in a bilateral meeting with Clarke, where he argued that 'It would be possible for the Government to win the political argument if the main structural reforms were already in place before the next election.' (Potter, 1990d). Clarke had his own electoral case. Thatcher contended that 'waiting times and waiting lists would have to show improvement: any deterioration would be blamed on the reforms', but she concluded by summarising that 'in general, the main structural reforms had to go ahead next year.' (Potter, 1990d). Despite her political concerns, Thatcher now lacked the internal authority to overrule Clarke, who in turn believed that his timescale was electorally beneficial.

Thatcher's unsuccessful intervention to prevent implementation of Clarke's NHS reforms until after the next general election was related both to the electoral cycle and falling government popularity. The proximity of the next election mattered in part because Thatcher perceived the political conditions to be difficult. A Downing Street letter to the FCO reveals that the Irish Taoiseach Charles Haughey warned Thatcher in June 1989 'not to try to take on reform of the Health Service too close to an election. It had proved an absolute killer in the Republic.' (Powell, 1989b). It should be borne in mind that this was a point made to Thatcher by Haughey, rather than an argument which originated with Thatcher herself. Nonetheless, it appears to have influenced Thatcher, because Clarke emphasises that 'I discovered that she had come up with this idea [deferring health reform until after the election] during a conversation with Charlie Haughey' (Clarke, 2016, p. 210). Yet if Thatcher had been convinced to delay implementation solely by Haughey's advice alone, it seems implausible that she would have waited a full year later in June 1990 before trying to change the timetable. The Thatcher governments lost confidence in their final two years due to turbulent political and economic conditions, related to Lawson's October 1989 resignation, the Poll Tax and the NHS reforms (Jessop, 2015, p. 6). Thatcher's unsuccessful attempt to halt the NHS reforms shows that electoral considerations become more

significant at moments of political weakness. The incident also illustrates that, after committing to a policy, it is difficult for a leader to disentangle themselves even where they think it electorally wise to do so. For Thatcher to have vetoed the implementation of the reforms would have risked Clarke's resignation, which Clarke remarks in his memoirs that Thatcher 'probably guessed' would have been the outcome if she had insisted (Clarke, 2016, p. 211). While electoral considerations (as Thatcher interpreted them) pointed to delay, she did not have the freedom to defer them given Clarke's refusal.

An original purpose of the reforms was reframing a troublesome issue. The Conservatives identified the NHS as an area of political weakness requiring a new narrative. Before Thatcher launched the health review in January 1988, the government was under immense political pressure. In December 1987, Nicholas Winterton, a right-wing Conservative backbencher, representing 'consultants and junior doctors', submitted a petition complaining about deteriorating NHS services; in response, Thatcher pointed to £90 million in emergency funding announced the previous week and insisted that 'I do not believe that the answers to these difficult choices are to be found simply in increasing expenditure.' (Thatcher, 1987b). On 21 January 1988, Thatcher insisted that they were providing sufficient NHS expenditure when replying to Gordon Brown (Shadow Chief Secretary to the Treasury) amidst an alleged crisis (Thatcher, 1988). Four days later in a BBC interview, Thatcher announced the health review (Dimbleby, 1988). The review was rooted in controversy during the preceding months. In Redwood's December 1987 paper to Thatcher arguing for health reform, he stated 'I am persuaded that the existing policy of paying more money to run the existing system is not going to work and will not last us through the Parliament. A large number of health service workers are now writing to me about waste and maladministration.' (Redwood, 1987). The words 'going to work' were underlined by Thatcher. Redwood (1987) followed by arguing that 'The political trick is to unleash those forces from within the NHS at the same time as championing patient rights from without.' This was a strategy for reshaping the debate. In her memoirs, Thatcher suggests that, by the end of her premiership, 'the political climate was changing. The stridency of the BMA's campaigns against our reforms was leading to a backlash among moderate doctors. The Labour Party had been put on the defensive and begun themselves to talk about the need for reforms' (Thatcher, 1995a, p. 617). This is similar to the argument put to her by Redwood before she launched the review. The Conservatives saw political advantages in advancing a new perspective to the public and health-service workers. Drawing on the method of heresthetics conceptualised by Riker (1986), Shepsle

(2003, pp. 312-313) argues that politicians on the losing side of a political issue benefit by redefining the debate and offering grounds for erstwhile opponents to accept their case. Thatcher and Redwood believed this would be possible with 'moderate' health sector employees.

4.6.3. Institutions

A significant motivation behind NHS reform was curtailing the influence of the Conservative government's opponents within NHS structures at a local level. In conflicts over resources and public accountability for performance, the interests of central government and district health authorities were frequently opposed. This created incentives to weaken the district health authorities and impose conditions on public funding. Thatcher was genuinely dissatisfied with hospital performance under district health authorities, but also resented their efforts to blame ministers for poor outcomes. In her memoirs, describing her decision to embrace an NHS review in January 1988, Thatcher (1995a, p. 608) complains that district health authorities 'overspent in the first half of the year [1987] and then cut back by closing wards and postponing operations. They then promptly blamed us, publicizing the sad cases of patients whose operations had been postponed', leading to further demands for public expenditure. Thatcher continued that 'If more money had to be provided, I was determined that there must at least be strings attached – and the best way those strings could be woven together was in the form of a full scale NHS review.' (Thatcher, 1995a, p. 608). The NHS review in January 1988 formed part of a battle over resources and accountability between central government and health authorities. Institutional conflict led to policy change. In March 1988, O'Sullivan sent a minute to Thatcher noting that she had accepted a list of ideas for NHS reform, including 'a reduction in the role of NHS committees composed of political activists and medical vested interests, notably the District Health Authorities.' (O'Sullivan, 1988b). Thatcher annotated this point with a tick. When presenting the draft of the White Paper Working for Patients to Cabinet in January 1989, Thatcher emphasised 'removing the political element from Health Authorities and making them more efficient and businesslike bodies', in addition to allowing hospitals and GPs to declare independence from health authorities (Cabinet Office, 1989a). Faced with perceived 'political' opposition and blame-shifting, the Conservatives enacted reforms which removed the power of health authorities and placed the onus of delivering better outcomes onto providers. Public service bargains based on management quality offer the

advantage of evading blame for poor outcomes while adopting a posture as a defender of service users (Hood and Lodge, 2006, p. 172). The Conservatives aimed for both of these advantages, but with an additional political dimension because they perceived some health authorities as ideological and political enemies. This shows the inter-relationships between institutional, ideological and electoral considerations, and should direct our attention towards the role of institutions in promoting or opposing ideas.

Imposing conditionality and restraining long-term health expenditure motivated the Treasury to advocate greater competition in the NHS. As the commercial incentives in a purchaser-provider split aligned with the Treasury's institutional values, they provided vital support for NHS reforms at an early stage. Institutional motivations led Treasury policymakers to co-opt a policy which was compatible with its institutional norms. The ministerial group set up by Thatcher to undertake the health review in 1988 consisted of Lawson and Major (as Chief Secretary) in addition to Thatcher herself and the Secretary of State and junior minister at the DHSS and then the Department of Health (Major, 1999 p. 107). In February 1988, the Treasury submitted two papers for discussion, one entitled 'Greater Competition in the NHS' and the second entitled 'Consumer Choice', outlining different options for creating an internal market (HM Treasury, 1988b; HM Treasury, 1988c). The first paper emphasised that 'there is a danger that competition would be solely in terms of quality of service, and hence generate further cost pressures. Choices in the system need to be reinforced by financial transactions which determine resource allocation: in other words, the money should follow the patient.' (HM Treasury, 1988b). Money following the patient was the logic which would later underpin the January 1989 White Paper Working for Patients and the creation of a purchaser-provider split (Department of Health, 1989). The Treasury sponsored this reform agenda because a purchaser-provider split was perceived as a form of expenditure restraint.

The Treasury's sympathy for NHS reforms as means of reducing expenditure in the long run meant that the health review benefited from institutional support, but had implications for the type of reform that resulted. The Treasury's institutional preference was towards controlling public expenditure. Leo Pliatzky, who was the Second Permanent Secretary heading the Treasury's public expenditure command in the 1970s, describes the Treasury's strong inclination to oppose bids for additional expenditure and seek savings within departmental budgets to compensate for successful bids (Pliatzky, 1989, p. 42). In her memoirs, Thatcher (1995a, p. 612) criticises the Treasury for making an ultimately unsuccessful proposal whereby hospital budgets would be top-sliced and re-allocated to

high-performing hospitals, arguing that this was 'a characteristic Treasury device to assert its central control of spending and disguise it as extending consumer choice.' Thatcher recognised the Treasury's institutional motivation (though we should bear in mind that Thatcher has reason to denigrate Lawson's contribution). Although the Treasury was unsuccessful in its proposal to top-slice and re-allocate hospital budgets, its hope to use the NHS reforms as a means of controlling expenditure was important in starting the reform process. Before the review was announced, Lawson was in dialogue with Thatcher regarding NHS reforms and claims to have proposed a review first (Norgrove, 1987d; Lawson, 1992, p. 614). The Treasury then proposed that competition should be defined by financial incentives and not service quality (HM Treasury, 1988b). Carstensen and Schmidt (2016, p. 326) identify 'power over ideas' as a form of ideational power whereby an actor can shape the understanding of an idea according to its preferences. The Treasury's partially successful attempt to promote and define NHS reform as a means of controlling expenditure should be understood as an instance of an institution exerting 'power over ideas'.

John Moore's support for private medicine and loyalty to Thatcher were both important in overcoming opposition to tax relief for private health care in 1988. Clarke's lack of enthusiasm and greater independence from Thatcher prevented further moves in this direction. This confirms that institutional constraints are stronger where ministers are less committed to their party's aims. In his January 1988 paper for Thatcher, O'Sullivan reported that 'the DHSS figures in Appendix 2 suggest that the net cost to the Exchequer (i.e. deadweight cost minus NHS savings) would be considerable', with 'the least expensive option (i.e. £19 million per annum)' being 'tax relief for an estimated 50,000 people over 65' (O'Sullivan, 1988a). The Treasury and Lawson opposed new tax reliefs for private health care (Thatcher, 1995a, p. 612). Referring to the tax relief for the elderly, Thatcher (1995a, p. 613) recalls that 'Nigel [Lawson] fought hard against these limited tax reliefs but I got it through with John Moore's help in the first part of July.' With Moore's support, Thatcher was able to secure this concession, whereas she would have faced difficulty overruling the Treasury without the responsible minister's support. Sequentially, Thatcher retained Moore as Social Services Secretary in charge of the DHSS as a single department until after this was agreed with the Treasury and then split the DHSS later the same month. In his interview, Butler (who became Cabinet Secretary in January 1988) recalls that Thatcher split the DHSS due to 'the unwieldiness of the department and a feeling that there were important things to be done in each area, and that John Moore was not a sufficiently

robust and effective minister to do both.' (Butler, 2019). Despite her concerns, Thatcher appears to have delayed acting until her victory on tax relief. Discussing the 'compromise' of tax relief for over-65s, Lawson laments in his memoirs that 'had I known that, within weeks, John Moore would have been replaced by the more robust Kenneth Clarke, I would not have made even this concession.' (Lawson, 1992, p. 617). Clarke's appointment at the end of July 1988 was a turning point. Describing a handover with his predecessor, Clarke recalls Moore reassuring him that Thatcher had promised to compel Lawson 'to provide tax relief for personal contributions to private health plans', presumably intending to go further than the tax relief for the elderly, only for Clarke to advise Moore that he had already sided with Lawson against Thatcher regarding the matter (Clarke, 2016, p. 191). Praising Moore in her memoirs, Thatcher noted that 'he had pushed hard for tax reliefs, which Ken Clarke would not have done.' (Thatcher, 1995a p. 614). These accounts show recognition that ministers' fealty to their party leader's objectives and ideational inclinations had significant consequences for whether institutional objections to a particular policy would prevail.

4.7. Conclusion

In evaluating Conservative health care policy motivations, this thesis has shown that organisational and expenditure policy decisions were influenced by electoral and institutional considerations concerning managing demands for greater resources and strengthening the power of the centre within NHS structures. This influenced policies from the abolition of area health authorities planned by Jenkin in opposition and enacted by the Health Services Act 1980, to Clarke's 1989 proposal that hospitals and general practices should be able to apply for autonomy from district health authorities. The latter proposal also served to remove 'the political element' from health authorities (Cabinet Office, 1989a). From the late 1970s to the late 1980s, the Conservatives did not trust the effectiveness or the reliability of health authorities to manage services. This was related both to resource levels and avoiding blame for poor outcomes. The 1988 review was in part a response to criticism from health authorities over lack of funding (Thatcher, 1995a, p. 607). Conservative policy-makers selected policies designed to ensure local compliance with the fiscal and organisational demands of central government, as well as to defeat perceived sources of opposition in the NHS

Electoral factors chiefly caused policy change when the Conservatives perceived that their existing policies threatened their re-election. This is why the period before the 1987 General Election was preceded by a substantial increase in expenditure, whereas the period before the 1983 General Election was preceded by relative restraint (Harker, 2019, p. 14). The distinction was that the 1987 General Election came after acute concerns among Thatcher's advisers about public perceptions of NHS resources (Ingham, 1986; Willetts, 1986). Except where the demands of the electoral cycle or falling popularity required policy change, electoral considerations were often a force for policy stability. At times when electoral politics was less central, institutional factors provided the driving force behind decision-making. In particular, the Treasury had an institutional bias towards controlling public expenditure, as well as promoting norms of efficiency and financial management. Initiatives such as financial performance management and contracting-out originated with the Treasury rather than the DHSS (Bailey, 1981; Howe, 1982b). Similarly, the Treasury proposed the purchaser-provider split (HM Treasury, 1988b); this would later provide the basis of the Working for Patients White Paper (Department of Health, 1989). This supports Hall's observation that policies which are compatible with the interests and values of state institutions are more likely to be selected (Hall, 1994, p. 11). This was reflected in health care policy under Thatcher.

Finally, ideological considerations were never altogether absent in Conservative policy-making. Rather, reforms closely related to New-Right ideology were commonly presented, but rarely selected. Ideologically-driven proposals for health reform were a persistent feature. In September 1975, Joseph and Fowler sympathetically discussed GP charges and a French-style insurance system (Mockler, 1975). At the other end of the period, the 1988 NHS review featured proposals for vouchers, sponsored hospital wards and the transfer of most patients to a private insurance system from Thatcher's advisers (O'Sullivan, 1988a; Redwood, 1987; Willetts, 1988). Yet despite Thatcher's ideological instincts, she was unwilling to contemplate these policies for electoral reasons. For instance, her reaction to a CPRS paper questioning the basis of NHS finances and proposing GP charges was to bury it (Sparrow, 1982). Thatcher's caution even led her to attempt to delay the more modest reforms passed in 1990, only failing due to the objections of a minister to her left (Potter, 1990d; Clarke, 2016, pp. 210-212). Smaller-scale ideological initiatives were pursued, such as limited moves on tax relief for private insurance, but these were curtailed where they ran against the Treasury's preferences (Howe, 1981a;

Lawson, 1992, p. 612). Ideological considerations were consistently subordinated to both electoral and institutional considerations when they conflicted.

Chapter 5: Defence

5.1. Introduction

This chapter is concerned with the influence of ideological, electoral and institutional considerations on Conservative defence policy under Thatcher. Addressing Conservative Conference in October 1978, Thatcher observed 'I am often told that there are no votes to be won by talking about defence and foreign policy. Well, I intend to go on talking about them, especially with elections to the European Parliament approaching.' (Thatcher, 1978b). Her opinion on the electoral opportunities of defence also features in Thatcher's speech to the Conservative Central Council in March 1979. The written draft promised 'We shall rebuild our defences and in so doing strengthen the [Western] alliance. That must be a prime task for the new Conservative Government in the years which lie ahead.' (Thatcher, 1979a). For delivery, Thatcher added in handwriting: 'Most of these things the great majority of our people believe.' Strong national defences was a commitment on which Thatcher sensed that voters shared her sentiments. It is no surprise therefore that, in the Manchester Evening News on 2 May 1979, the eve of the 1979 General Election, Thatcher qualified her general commitment to cut public expenditure: 'True, we shall spend more on police and defence, because if the citizen is not defended against violence from inside or outside the country, he has nothing.' (Thatcher, 1979c). Her emphasis on the state as protector reflects the New-Right ideology within which Gamble (1994) situates Thatcher's leadership: favouring a free-market economy combined with a state which upholds its authority against the internal and external foes of a moral society. The latter, more conservative half of Thatcherite thinking must not be overlooked. Consistent with Gamble's argument, under the Conservative governments from 1979 to 1997, expenditure on 'public order and safety' (covering policing) enjoyed an average annual real-terms increase of 4.0%, marginally higher than any other category of public expenditure (Chote et al. 2010, p. 10). This rise is what Thatcher's words in 1979 suggested. By comparison, the same figures show defence expenditure contracted by an annual average of 0.5% across the Thatcher and Major governments, compared to rises of 3.8% (social security), 3.2% (NHS) and 1.5% (education) elsewhere. Far from this merely reflecting the fall of the Soviet Union in 1991, Hampshire (2015) has shown that the Conservatives were bedevilled by bitter disputes over defence funding in the first eighteen months after May 1979, by the end of which Thatcher reluctantly sided with those favouring lower expenditure. There is a question

mark over why neither the electoral nor ideological significance of defence did not result in the generosity that Thatcher promised in opposition.

The argument of this chapter is that political and administrative scepticism of the value of defence expenditure (in terms of both its electoral and policy merits) meant that defence was not prioritised compared to objectives relating to the economy and public services. Thatcher had a dim view of inefficiency in defence contracts, heightened by procurement problems in the mid-1980s and her dispute with Michael Heseltine over the Westland affair. Institutional perceptions of waste at the MOD were shared by Conservative politicians and advisers as well as civil servants at the Cabinet Office and the Treasury. Throughout the period, Cabinet Office and the Treasury officials had a critical role in resolving ministerial disputes in a way that allowed short-term increases (resolving political concerns) while ensuring a trajectory of lower expenditure. After 1979, to the extent that the Conservatives saw defence as a vote winner, this chapter argues it was protecting Britain's interests in specific contexts (such as the Falklands War and the retention of a strategic nuclear deterrent) that they focused on, rather than the overall proportion of national resources provided to defence. By the late 1980s in particular, it was recognised that expenditure on health and education had greater electoral purchase. It is therefore necessary to distinguish conventional capability from wider security policy. When addressing international security issues, the Conservatives ensured that they satisfied their electoral interests, particularly nearer a general election. For instance, Thatcher's strident reaction to Reagan's proposed concessions on arms control at the October 1986 Reykjavik Summit was rooted in domestic politics with an eye on the forthcoming election. Similarly, while international diplomatic constraints were significant in conflicts such as the Falklands War and the Gulf War, the Conservatives endeavoured to ensure that the balance between military force and diplomacy was consistent with political interests. In shaping defence policy, electoral and institutional factors were more significant than ideology.

As a case, defence is not as frequently discussed as domestic policy areas in existing political-science literature considering Thatcherism. For instance, Farrall and Hay's edited collection reassessing Thatcherite policy-making contains no chapter on defence or foreign affairs (Farrall and Hay, 2014). Yet it is recognised that the Cold War provided important context for the Thatcher era and that the Falklands War was one of the defining moments of her premiership. Vinen (2012) argues that the very notion of Thatcherism is less an ideological construct and more a product of late-Cold War anti-Communism. Yet framing Conservatism under Thatcher primarily with reference to the Cold War makes

falling defence expenditure just as acute as when evaluating the interpretation of Gamble (1994). Furthermore, Sanders et al. (1987) have cast doubt on the significance of the Falklands War in shaping the outcome of the 1983 General Election, raising the question of how the Conservatives perceived electoral considerations surrounding military conflict. Using interview evidence for a comprehensive study of defence policy from 1979 to 1990, Dorman (2002) provides a guide to *how* defence policy was made within the MOD across the Thatcher governments, but does not focus on either why policy was made or the significance of defence within the wider Conservative agenda. Dorman (2002) also does not cover Conservative policy in opposition and was produced before the availability of the main archival sources. Utilising archival evidence, this chapter provides an overview of defence policy with particular focus on the paradox presented by declining defence expenditure in light of ideological and electoral commitments.

The first section of the chapter discusses New-Right ideology in relation to defence. This highlights the mixture of conservative elements (including a commitment to state authority, anti-Communism, neo-Conservatism and belief that Britain should be a great power) with economic liberalism. This section identifies contradictions within and between conservative and liberal ideological beliefs. The second section argues that, from 1975 to 1979, the electoral value in promising higher defence expenditure was attacking Labour cuts, but that specific promises were delayed until the general election in order to allow general attacks on Labour expenditure plans unencumbered by promising more money for defence. Out of office, Thatcher was freer to make hard-line statements out of line with North Atlantic Treaty Organisation (NATO) arms control policy, but institutional constraints intensified closer to the 1979 General Election. The third section argues that Conservative approaches to the Falklands War and Polaris replacement were influenced by the expectations of the American administrations, but that both matters were consciously managed in a way that safeguarded Conservative electoral interests. In office, fiscal policy choices and the Treasury's institutional power obstructed plans for vastly greater defence expenditure developed in opposition. The fourth section illustrates that ideology did not stop ministers reining in defence expenditure with the end of the commitment to the NATO target for 3% real-terms annual increases. This was driven by domestic institutional resentment towards NATO obligations and alternative political priorities. Thatcher regarded positioning on Trident and arms control to be more electorally important than higher expenditure. The fifth section demonstrates that the significance of ideology in decisions on short-range nuclear forces and the Gulf War was limited by international

constraints and the unwillingness of other British policy-makers to follow Thatcher's views. The section also argues that perceptions of inefficiency in defence procurement led the Conservatives to be much less sympathetic to defence spending than they were during opposition and the first term in office.

5.2. Operationalisation of New-Right Ideology

The conservative school of New-Right ideology was characterised by an understanding of defence as a necessary function of a strong state, anti-Communism (giving an ideological dimension to conflict with Soviet Russia), neo-conservatism (specifically belief in American leadership as a provider of security), and a notion of Britain as a great power. If ideological concerns were the premier consideration, we would expect defence policy to have been shaped by a combination of these beliefs. Anti-Communism and support for state authority are both emphasised by Gamble (1994, p. 63), who argues that members of the Anglo-American New-Right perceived the Soviet Union as a totalitarian danger to western societies and saw robust defences as needed to defeat this threat. Gamble (1994, p. 68) presents the conservative wing of the New Right as part of Thatcherism's intellectual foundations. Gamble (1994, p. 171) also cites the Thatcher governments' stances on defence and the Falklands War as re-establishing an impression of state authority alongside domestic actions on home affairs and trade-union reform. Gamble is not the only scholar persuaded of the Cold War's relevance. While arguing for a non-ideological definition of Thatcherism, Vinen (2012, p. 199) contends that Thatcherism originated in the Cold War divide between Communism and anti-Communism. Vinen (2012, p. 213) also argues that Thatcherism rested on a presumption (shared with previous administrations) that Britain should be a great power. In the same compilation, Gamble (2012, p. 232) suggests that the neo-conservative component of Thatcherism has received too little attention and that, in a British context, neo-conservatism involved commitment to American leadership in international security. More broadly, the American neo-conservative tradition (rooted in early American liberal responses to the Cold War's onset) emphasised the direct danger posed by the Soviet Union to western values, criticised the failure of mainstream liberals to respond adequately (especially in the aftermath of the Vietnam War), and advocated a worldwide agenda to establish American supremacy, including through external support for democracy (Ehrman, 2005). Within right-wing thought, there were tensions between a strong Atlanticist outlook and post-imperial assertions of British foreign policy autonomy

such as the Falklands War (Gray, 1983, p. 279). Just as Conservative economic debates featured conflicting liberal tendencies, conservative influences on defence strategy did not always point in the same direction.

While defence is highly relevant to conservative aspects of New-Right ideology focused on countering what Gamble (1994, pp. 63-64) terms 'enemies without', this thesis will also evaluate the influence of New-Right ideology by considering the role of liberal economics in defence policy-making. DeVore (2019, p. 876) notes tension between the assumption shared by key neo-liberal thinkers, particularly Hayek, that defence is a legitimate sphere for state involvement, and neo-liberal criticism of existing defence practices as akin to economic planning and innately wasteful. DeVore (2019, p. 888) claims that neo-liberals in government, from the 1980s to the present day, have disregarded the tendency of earlier writers to treat defence as a special case where the doctrines of market liberalism should be applied cautiously. His argument suggests that, despite the efforts of leading neo-liberals to theoretically reconcile both New-Right instincts, conservative and liberal tenets were not always compatible when making policy. Discussing aircraft procurement and the Thatcher governments, DeVore (2019) argues that the principal neoliberal policy objectives were encouraging competition between businesses for defence contracts and out-sourcing to private companies. This was underpinned by a view that market competition and private sector methods would lead to lower costs and greater adaptability (DeVore, 2019, pp. 878-879). This outlook was held by at least some Conservative politicians under Thatcher. Heseltine (who served as Defence Secretary from 1983 to 1986) observes in his memoirs that, 'The long-term costing [for defence expenditure] was literally a ten-year programme' and complains that 'To any manager with the remotest idea of the real world the idea of this rectangular slab of ten-year expenditure was nonsense.' (Heseltine, 2000, p. 267). This reveals belief that defence procurement should be subject to similar market forces as other areas of life, consistent with the neoliberal desire to increase efficiency in defence. Heseltine (2000, p. 268) outlines three approaches he could have taken to reduce the budget (cancelling orders, extending contract timelines and greater efficiency), out of which he preferred the final option, namely 'to grip the contractual process and introduce competition.' In itself, this does not demonstrate neo-liberal influence on policy selection, as there are underlying questions as to why Heseltine wished to cut the budget at all and why he preferred that method. Yet Heseltine's memoirs do establish that the neo-liberal policy ideas noted by DeVore (2019) were in circulation and that Heseltine (not the most economically dry of Thatcher's

ministers) was ideologically inclined towards subjecting defence to competitive pressures.

This thesis will consider the role of both conservative and liberal ideological components to New-Right ideology, as well as the coherence of these influences taken together.

5.3. Opposition

5.3.1. Ideology

By partially negating the need to follow the incumbent American administration's policies, opposition party status enabled Thatcher to articulate a more distinctive, aggressive ideological position than may have been possible in government. This ideological stance comprised anti-Communism, a desire for stronger American leadership against the Soviet Union and express commitment to a well-resourced military. The lesser demands of diplomacy in opposition, added to the absence of political constraints affecting domestic policy, brought ideology to the fore in defence policy early in Thatcher's leadership. Speaking to the Chelsea Conservative Association in July 1975, Thatcher attacked the Anglo-American policy of détente, warning that 'the fact remains that throughout this decade of detente, the armed forces of the Soviet Union have increased, are increasing, and show no signs of diminishing' (Thatcher, 1975a). In the same speech, Thatcher insisted that 'The power of NATO is already as [sic] its lowest safe limit. And [...] if we reduce our conventional forces further, then should hostilities break out, there would be no effective middle course between surrender or the early use of nuclear weapons.' (Thatcher, 1975a). Thatcher distinguished herself as an opponent of disarmament (without equivalent reductions in Soviet conventional forces) and supporter of higher defence expenditure. In her memoirs, Thatcher explains her scepticism regarding American policy in this period and that it was 'the preparations for the Helsinki Summit [between the Soviet Union and the western powers] that triggered my decision to' give the July 1975 speech (Thatcher, 1995b, p. 349). Thatcher disagreed with the western allies' direction and wished to make it known. Publicly deviating from American policy would have been harder in government. Later, in January 1976, Thatcher delivered the more famous speech at Kensington Town Hall which led The Red Star to christen her as 'The Iron Lady' (Moore, 2014, pp. 332-333). She also maintained communication with Ronald Reagan during the Carter administration, who informed her in December 1978 that 'On my visits in France and Germany I found that most leaders share your concerns about European defense matters.' (Reagan, 1978). This

confirms that Thatcher's private feelings matched her public speeches. Lewis (2017) finds that American political parties which do not control the presidency are more likely to be unsupportive of military action relative to parties with a presidential incumbent. In late-1970s Britain, it is significant that the Conservatives as an opposition party adopted a less emollient tone towards external enemies. This may reflect that opposition policy is made in reaction to government actions, as Conservative policy evolved in response to perceived Labour weakness. In turn, Labour policy was tied to external developments, which posed less of a restraint on Conservative policy. Outside of government, Thatcher exercised some freedom in discussing her policy views.

Tensions between conservative and liberal tenets of New-Right ideology led to inconsistencies in policy-making on defence expenditure. Ideological considerations meant that defence expenditure was granted a special status relative to spending in other areas, but there was ambiguity over how much ring-fencing to which defence was entitled. This involved a clash between opposing ideological convictions as well as between ideological and electoral concerns. At times, defence was awarded exemption from expenditure cuts, but on other occasions a more nuanced approach was adopted consistent with general scepticism of public expenditure. At a June 1975 Shadow Cabinet meeting, discussing upcoming votes on defence expenditure, 'Some members felt that there might be a difficulty in reconciling policies which would increase proposed defence spending with our insistence on cutting public expenditure in general. Others stressed the primacy of defence' (CRD, 1975c). Weighing ideological and political factors, the meeting decided 'that we should stress in our overall defence policy the need to keep our commitments to our allies, and the increased spending of our potential enemies rather than allow the argument to be dominated by comparisons of particular amounts of public expenditure.' (CRD, 1975c). This approach gave the Conservatives licence to criticise Labour without committing themselves to any specific level of expenditure or even necessarily to an increase in the overall defence budget. By contrast, in a paper on public expenditure for the Conservatives' Advisory Committee on Policy in June 1976, Geoffrey Howe stated 'Some of the savings will have to be not just in money spent, but in real activities or programmes involving employment and procurement – and in almost every policy aspect of Government except Defence.' (Howe, 1976b). Howe as Shadow Chancellor had no incentive to protect defence, but he expressly excluded defence expenditure from the cuts to be required in all other departments. In both the June 1975 Shadow Cabinet discussion and Howe's June 1976 paper, the impulse to protect defence expenditure is evident, but there were different degrees of certainty

over what prioritising defence meant. This reflected competing ideological values and the difficulty of combining demands for rising defence expenditure with the overall message to the electorate.

In shifting Conservative defence policy to support expanding resources, Thatcher and other Shadow cabinet members' personal views appear to have been more significant than input from party members. This finding challenges the proposition that pressure from party members determines the relationship between ideology and policy-making. Thatcher's 1975 speech attacking détente was made to the Chelsea Conservative Association, but it was prompted by her own reaction to the Helsinki summit (Thatcher, 1995b, p. 349). At an April 1975 Shadow Cabinet meeting, 'Sir Keith Joseph suggested that these [external defences] had become so weak – with the conscript armies of the NATO allies being penetrated by the extreme Left, and the constant inroads of inflation – that Britain might face the danger of "Finlandisation".' (CRD, 1975a). In the same meeting, Howe noted the lack of a defence review undertaken by ministers and stated that 'He would be willing to see more spent if such a review proved it necessary.' (CRD, 1975a). At the earliest stages of Thatcher's leadership, she and her senior colleagues already saw defence as a priority. The perceived views of Conservative members could influence policy, but to the extent that ordinary party members were engaged with defence issues, the matters of greatest concern were not necessarily overall expenditure or strategic questions. In particular, Conservative members were interested in the welfare of service members and, before Conservative Conference in October 1977, a number of relevant motions were submitted. The Shadow Cabinet 'agreed that Mr. Maude [Angus Maude, the Deputy Party Chairman] should write to Mr. Davies [John Davies, Shadow Foreign Secretary] suggesting that his speech should contain an adequate reference in reply to all the motions on forces' pay and conditions' in the foreign affairs and defence debate. (CRD, 1977). This sentiment was reflected in the 1979 Conservative Manifesto with a commitment to 'give our servicemen decent living conditions, bring their pay up to full comparability with their civilian counterparts immediately and keep it there.' (Conservative Party, 1979). Party views affected policy on military pay and conditions, but influence on wider strategic questions was incidental to the direction in which Thatcher was already moving. Kelly (1989) argues the influence exerted by Conservative conferences on policymaking is greater than has traditionally been understood. In this case, defence policy under Thatcher in opposition was driven by primarily by elite processes rather than the party conference. Conservative support for higher defence expenditure in opposition principally

stemmed from the genuine beliefs of senior politicians rather than requiring pressure from activists.

5.3.2. Electoral Politics

Although the Conservatives regarded higher defence expenditure as ideologically attractive, and fiercely attacked Labour over defence cuts, perceived electoral interest in sustaining their overall attack on Labour's fiscal stance initially persuaded Conservative policy-makers in opposition to avoid committing to rising spending. The Conservatives attached importance to maintaining a single electoral message when setting policy for specific areas. Early in opposition, despite staunch criticism of Labour defence cuts, the Conservatives qualified their own commitment to increasing defence resources. In October 1975, ahead of the Conservative Conference, Thatcher wrote to the Shadow Defence Secretary, George Younger, to emphasise 'the over-riding importance of avoiding any commitments to any net increases in public spending', noting that Labour politicians were now calling for lower public spending and that 'Our own credibility could be fatally damaged if we did not re-emphasise the same message.' (Thatcher, 1975b). A similar letter was sent to other members of the Shadow Cabinet, but no exception was spelled out for defence. Thatcher concluded the letter by requiring 'offsetting savings' to be found from within the same policy areas as any new spending commitments and noting that 'we must all make it clear that some reductions are likely in almost every area of Government.' (Thatcher, 1975b). Citing the need to maintain an electoral advantage over Labour on public expenditure overall, Thatcher forbade Younger from promising increases for defence. Across the board, Thatcher resisted internal party pressures for more spending to maintain credibility. Subsequently, in February 1976, Younger's successor as Shadow Defence Secretary, Ian Gilmour, prepared a paper on 'The Cost of Defence', highlighting that 'It is no part of our case that there should never be any cuts in defence expenditure' and that 'We should consistently seek ways of getting better value for money', before arguing: 'It has to be clearly understood, however, that in Opposition we cannot formulate, let alone cost, an alternative defence policy' (Gilmour, 1976). This presented a rationale for critiquing Labour's defence cuts as irresponsible whilst reserving their own position on future expenditure. The overall electoral strategy was a more significant force than ideological sympathy for defence. During 1975 and 1976, electoral interest led the

Conservatives to pursue the twin aims of criticising Labour cuts and refusing to specify the details of their own policy.

The shift over 1977 to 1979 towards an explicit commitment to increasing resources was partly related to the proximity of the next general election. Whereas political considerations in 1975 dictated restraint in spending commitments, the next election's closeness by late 1977 (given uncertainty over timing) meant that tangible policy offers were beginning to be developed. Defence was prioritised partly because it served as an effective attack line against Labour and partly due to ideological preferences. At a July 1978 Shadow Cabinet meeting to discuss a draft manifesto for an anticipated election in the autumn, 'Mrs. Thatcher pointed out that because a large number of "nuggets" were being inserted in the Manifesto at the last minute, we were in danger of losing our credibility on the reduction of expenditure.' (CRD, 1978c). A balance had been to be struck. Thatcher 'proposed that the next Manifesto draft should put the main emphasis on a few central objectives on which everything else depended: a) the cutting of taxes and b) strengthening internal and external defence', with all 'other spending pledges conditional on our meeting these pledges first' (CRD, 1978c). Higher defence spending was selected by Thatcher as one of few pledges to be given prominence in the manifesto alongside tax cuts. The key shift began prior to the July 1978 Shadow Cabinet meeting and would crystallise further still by 1979. In The Right Approach, published October 1976, the Conservatives emphasised their 'repeatedly stressed intention to strengthen Britain's defences', but qualified this by noting 'It would be irresponsible, and anyway impossible, to say by precisely how much we shall do this, and precisely how much it will cost', adding that 'we shall seek value for money in defence expenditure as elsewhere' (Conservative Party, 1976, p. 67). This language did not exclude using efficiency savings to finance stronger defences. Only a year later, in October 1977, The Right Approach to the Economy was more explicit by stating that 'Instead of there being scope for cuts in defence expenditure, as there was after the Korean war, we shall have to increase it.' (Howe et al., 1977, p. 3). While this was released in the name of four Shadow Cabinet members (rather than by the party officially) they included Howe, who as Shadow Chancellor had a stake in resisting unauthorised spending pledges. The 1979 Conservative Manifesto went further still in declaring that 'it is already obvious that significant increases will be necessary.' (Conservative Party, 1979). As the election drew closer, the Conservative position on defence expenditure became firmer. This underlines not only that electoral factors become central closer to elections, but that expensive voteseeking pledges are more likely near to an election.

In supporting a successor for the Polaris missile system, the Conservatives aimed to capitalise on public support for Britain retaining independent nuclear capability. Although this issue did not enjoy the same salience as a dividing line that it would acquire when Labour moved to the left in the 1980s, Conservative policy was shaped by political strategy. Specifically, positioning on Britain's nuclear programme and international arms control was influenced by perceptions of public support for British power. In a paper on key themes (to which Lawson, Tebbit, Howell and Rhodes Boyson all contributed) for the party's Steering Committee in February 1978, Maude argued 'The independent nuclear deterrent did strike a chord in the late 1950s and early 1960s. People dislike the feeling of national impotence. We must show that strong defences could really matter – that it is humiliating for Britons to rely solely on Yanks, Frogs and Krauts for their survival.' (Maude, 1978). This highlighted the electoral benefits of claiming that Britain should provide for its own defences rather than relying on the American nuclear umbrella. The line of argument found manifestation in Thatcher's dissent from common NATO positions on multilateral disarmament, specifically on the grounds that it could compromise Britain's ability to defend itself autonomously. Responding to Callaghan's report of a summit with NATO allies in January 1979, Thatcher posed the following question: 'SALT II is very worrying, for a number of reasons. Is the Prime Minister satisfied that the provisions of SALT II will not inhibit the ability of this country to provide a successor to the Polaris?' (House of Commons, 1979). The question portrayed preserving Britain's nuclear capability as conflicting with multilateral arms control. In opposition, the Conservatives did not have to take any decisions on SALT II or negotiate Polaris replacements, but their stated policy favoured an independent deterrent, while being critical of SALT II as an obstacle to this. This reflected a narrative that Britain could only remain a major power under Conservative leadership. In forming policy, Conservative politicians appealed to domestic perceptions of British military prestige.

5.3.3. Institutions

Even though the Conservatives were not in government from 1975 to 1979, they were not free from the influence of international institutions and foreign powers. In *The Right Approach*, the Conservatives stated, 'As NATO provides the framework within which we plan and implement our defence policies, so the European Community provides the framework not only for many of our domestic policies but also increasingly for the

development of our foreign policies.' (Conservative Party, 1976). The Conservatives framed their approach as being in accord with the objectives of these organisations. Defence policy specifically was formed through the lens of fulfilling the obligations and expectations of the NATO alliance. This institutionalised a pull towards a direction based on military expansion. In a March 1978 defence debate, Gilmour presented Conservative opposition to defence cuts as reflecting a consensus on NATO, claiming that 'there is general agreement about the disastrous nature of the Government's defence policy. The all-party Sub-Committee, NATO, expert commentators—virtually all are of the same mind about the damage which the Labour Government have done.' (House of Commons, 1978a). Gilmour positioned the Conservatives as representatives of an international security consensus and Labour policy as an extreme outlier. While Gilmour's motivation in making this argument was likely undermining Labour politically, it also highlights the context in which the Conservatives were prepared to advocate spending increases: alignment with an institutional paradigm which emphasised greater resources. This aspect of Conservative policy was also discussed with foreign allies. Summarising Thatcher's comments to American officials on a September 1977 visit to Washington DC, the FCO recorded that 'Mrs Thatcher had said that she was distressed at the recent defence cuts and that she hoped Britain would be able to increase her defence contribution to NATO in the future.' (Melhuish, 1977). Thatcher's promised higher defence expenditure as part of making the requisite 'contribution to NATO'. While Conservative politicians were ideologically inclined towards higher expenditure, their approach was directed towards the goals of NATO as an institution. Even in opposition, the Conservatives did not ignore the constraints that they would face on entering office.

The significance of institutional considerations increased as the Conservatives drew nearer to potentially taking office, particularly on issues where electoral and ideological factors suggested different policies. Shifts in Thatcher's approach to SALT II during 1979 highlight that opposition parties may anticipate governing challenges in the period leading up to elections. There were strong ideological and institutional arguments for higher defence expenditure, whereas arms control was an area where Conservative ideological and political aims conflicted with the existing institutional consensus. The Conservative Campaign Guide 1978 supplement includes a quote of Davies, from the 1977 Conference, arguing that 'our interests would have been ill-served' if the Soviet Union and the United States made commensurate arms reductions 'at the price of diminishing our own security' (Conservative Party, 1978). Addressing the press at the start of May 1978, Thatcher maintained 'that the Western powers should concede nothing, either over the neutron

bomb or at the strategic arms limitation talks (Salt) before the Soviet Union offered something in return' (Watts, 1978). The United States had already announced the suspension of the neutron bomb programme during April 1978 (Elli, 2015, p. 337). Thatcher's remarks implicitly rebuked this. By contrast, Conservative politicians moderated their language on multilateral disarmament in the course of 1979. This was reflected in American perceptions of Conservative statements. In a US National Security Council memorandum during the 1979 election campaign, it was noted that 'The Conservatives apparently have decided to keep SALT out of the election campaign and to avoid any actions which would create a problem for the US on the issue. Party leader Thatcher said in a recent interview that she had decided not to oppose SALT II' and that 'No responsible Conservative Party official has raised the issue since Thatcher in January' questioned Callaghan in the Commons (NSC, 1979). The same memorandum noted that 'Ambassador Brewster [US ambassador in London] attributes the positive evolution in Conservative attitudes towards SALT to the sobering effect the prospect of power is having on them' (NSC, 1979). While we cannot presume that the US administration accurately understood Conservative motivations, the sudden silence on the issue was likely associated with the proximity of the 1979 election. Institutional considerations increased in importance as the 1979 election neared.

Whereas Thatcher and her allies faced frontbench resistance on economic policy, this was mostly not the case in defence. This reduced the extent to which attachment to the Heath Government's policies (including defence cuts and détente) constrained policy. While institutional considerations influenced opposition decisions, they were mainly related to the potential challenges that they anticipated after entering government rather than attachment to a pre-existing governing style. Thatcher installed her Conservative ideological opponents in non-economic portfolios, including defence and foreign affairs. In her memoirs for the opposition years, Thatcher recalls that in January 1976 she 'moved [Gilmour] to Defence where he proved to be an extremely robust and effective Shadow spokesman; if he had limited himself to that, life would have been easier for all concerned.' (Thatcher, 1995b, p. 301). Thatcher rated Gilmour as an 'extremely robust and effective' Shadow Defence Secretary even though he was one of her most vocal Shadow Cabinet foes on economic matters. As discussed above, in his paper on 'The Cost of Defence', Gilmour emphasised that 'It is no part of our case that there should never be any cuts in defence expenditure' (Gilmour, 1976). This reflected a defensive position over the Heath Government's actions, but Gilmour's subsequent vehemence in opposing the spending

reductions pursued by Labour mirrored Thatcher. In March 1977, challenged to explain his opposition to cuts in defence spending previously pursued under Heath, Gilmour argued that 'it was only within the last two years that it became known that the Soviet Union was spending about 50 per cent. more on arms than we thought it spent. It is quite wrong to think that the threat was the same in 1973 as it is now.' (House of Commons, 1977). Maudling, Shadow Foreign Secretary before Davies, was less inclined to implement Thatcher's will. In her memoirs, Thatcher outlines that Maudling 'did not agree with my approach to either the economy or foreign affairs [his portfolio]; he was increasingly unwilling to disguise his differences with me' and that she accordingly removed him in November 1976 (Thatcher, 1995b, p. 319). By selecting spokespeople for defence and foreign affairs who were comfortable supporting her external policy views (and removing those who were not), Thatcher limited the influence of institutional factors.

5.4. First Term

5.4.1. Ideology

There was a wide diversity of Conservative opinion over the response to the invasion of the Falklands Islands. Disagreements among senior ministers and parliamentarians over whether and how to respond militarily to the invasion of the Falkland Islands partly reflected ideological divisions. Speaking in his interview based on his perspective as Chief Whip, Jopling recalls 'all through the [Falklands] campaign, there were people who were very unhappy, thinking we were doing the wrong thing and that it was all going to end in disaster, particularly when ships got sunk. When it all came right, those feelings of unhappiness disappeared like the spring snow.' (Jopling, 2019). A note by Jopling in April 1982 confirms that backbench opinion ranged from "My constituents want blood" to 'Let the Argentinians have the Falklands with as little fuss as possible.' (Jopling, 1982b). Within cabinet, Thatcher and her allies were more willing to pursue military force, while some ministers critical of her economic policy favoured diplomacy. This became evident in negotiations with the United States over a possible diplomatic settlement. Telegramming President Reagan on 9 April 1982, Secretary of State Alexander Haig advised that, 'The Prime Minister has the bit in her teeth, owing to the politics of a unified nation and an angry Parliament, as well as her own convictions about the principles at stake', adding she is 'rigid in her insistence on a return to the status quo ante, and indeed seemingly

determined that any solution involve some retribution.' (Haig, 1982a). Haig's perception was that both political context and personal beliefs factored into Thatcher's thinking. Haig reported that that 'Her Defense Secretary [John Nott] is squarely behind her, though less ideological than she', but highlighted that 'Her Foreign Secretary [Francis Pym] does not share her position, and went surprisingly far in showing this in her presence' (Haig, 1982a). Haig's impressions are confirmed by Nott's memoirs recalling that Thatcher and Pym 'were in fundamental conflict. Francis seemed to want to avoid an ugly and dangerous conflict at all costs; I think he was genuinely upset at putting all these young soldiers and sailors – at very great risk – into an opposed amphibious landing without air superiority.' (Nott, 2002, p. 286). Similarly, Nott notes that Jim Prior and Peter Walker were the members of the Cabinet who objected to reclaiming South Georgia (Nott, 2002, p. 301). There was a correlation between a lack of enthusiasm for military action in the Falkland Islands and the group of Conservative ministers opposed to Thatcherite economics. This suggests that genuine differences in world view (spanning defence and foreign affairs as well as economic policy) influenced internal government debates on the Falkland Islands.

However, to a large extent, the varied ideological preferences of individual ministers in the Falklands War were neutered by external political forces. It was not determinative that attachment to British power, and a neo-conservative notion of defending democracy from foreign dictatorship, temperamentally inclined Thatcher towards intervention, or that some of her ministers did not share these values. The path to intervention was underpinned by structural domestic and international political contexts. Conservative efforts were mainly concerned with managing the gulf between the demands of domestic politics and American foreign policy. Following the sinking of the Argentinian cruiser Belgrano and an Argentinian attack on HMS Sheffield, a point of maximum political danger, the Cabinet accepted US-Peruvian peace proposals based on Thatcher's own recommendation, despite doubts from ministers ranging from Lawson to Heseltine (Moore, 2014, pp. 718-719). This entailed 'mutual withdrawal and non-reintroduction of forces', a contact group consisting of third parties (namely Brazil, Peru, West Germany and the United States) to oversee the Falkland Islands temporarily, a vague reference to 'the aspirations and interests of the Islanders' in lieu of a firm commitment to selfdetermination, and a final settlement of the status of the islands before May 1983 (Henderson, 1982). Acceptance followed firmly-worded letters from Haig to Pym and Reagan to Thatcher insisting that the United Kingdom accept the proposals and rejecting proposed British amendments (Haig, 1982b; Reagan, 1982). Thatcher strongly disliked the

peace plan, writing to Reagan, after Pym communicated British acceptance, that 'I fear deeply that if a settlement based on your suggestions is eventually achieved, we shall find that in the process of negotiation democracy and freedom for the Falkland Islanders will have been compromised.' (Thatcher, 1982b). In ideological terms, Thatcher regarded the plans as unacceptable. Yet Thatcher was constrained by diplomatic pressure to a point where her preferences were overridden. Fortunately from Thatcher's perspective, Argentina quickly rejected the plan (FCO, 1982). This followed a previous occasion, on 24 April 1982, where Thatcher asked the United States to put an earlier peace proposal (negotiated between Haig and Pym) to the Argentinians before Britain agreed (Thatcher, 1982a). In her memoirs, Thatcher credits Nott with suggesting in the War Cabinet that Argentina be asked to give a view on the proposals first and noted that 'I could not have stayed as Prime Minister had the War Cabinet accepted Francis Pym's proposals.' (Thatcher, 1995a, p. 208). On multiple occasions, Thatcher contemplated settling on terms she strongly disagreed with, and which she feared would bring about disastrous political consequences, only to be saved by Argentinian refusal. Bakker (2018, p. 154) contends that if Thatcher was ideologically a dove rather than a hawk, she may have avoided war and been more receptive to Haig's diplomatic efforts. Despite Bakker's hypothetical point about how a dovish Thatcher may have acted, the reality was that a hawkish Thatcher was constrained to accept American peace proposals she disagreed with. In the face of international pressure for diplomatic options over war, Thatcher's own ideological inclinations were of reduced importance.

Despite a commitment to higher defence expenditure based on the conservative strand of New-Right ideology, the Conservatives moved towards restraining expenditure growth after entering office in 1979. Oft-stated preferences for expanding military capacity were subordinated to wider economic and political objectives. Having given the impression in opposition that the Conservatives would spend substantially more, debates over the scale and timing of spending increases quickly ensued. On 11 May 1979, responding to MOD bids for higher expenditure, Howe wrote to Thatcher noting that 'I think we all accept that some increase is required' but arguing that decisions should be made at a later stage and 'in the context of our overall financial objectives.' (Howe, 1979b). As Shadow Chancellor, Howe privately and publicly emphasised higher defence expenditure (CRD, 1975a; Howe, 1976b; Howe at al., 1977). The Conservative Manifesto called for 'significant increases' (Conservative Party, 1979). The post-election change in perspective suggests that ideological preferences become less influential when they cease to be aligned with

electoral concerns, especially if ideological demands imply financially or practically difficult decisions.

Despite ideologically favouring higher expenditure, Thatcher grudgingly accepted cuts and resistance by Pym (Defence Secretary until January 1981) failed. Ideological concerns peculiar to defence were genuinely held, but not decisive in determining policy. In July 1979, Pym wrote to Howe offering to accept 'a cut of £75m on what I need; and a figure which is only £13m above the Labour Government's baseline figure for 1980-81' when negotiating the 1980-81 defence settlement (Pym, 1979a). He referred to economic challenges and declared that 'I am prepared to play my part in explaining the limitations they place on upon the policies of the Government as a whole even though this would entail conceding that despite all our protestations we are not able to make real improvements on the programme that we criticised so heavily when we were in Opposition.' (Pym, 1979a). This concession was not the end of fierce disputes on defence spending, which dominated his tenure as Defence Secretary (Hampshire, 2015). In his interview, Jopling recalls, 'I do remember Pym getting very concerned indeed about the pressure that he was having over defence spending and I do remember Pym being very uneasy about this pressure, to the extent that he was for a time very unhappy indeed.' (Jopling, 2019). When Pym met Thatcher in August 1980, to protest against a failure to meet the NATO defence expenditure target in real-terms, he was told that 'nobody was more disappointed than she that the Defence programme had to be cut and she would not be contemplating this unless it was absolutely unavoidable. It was, however, vital to keep public expenditure under control if the Government's economic policy was to be successful.' (Whitmore, 1980). Thatcher regarded defence cutbacks (relative to other policy areas) as undesirable – they 'disappointed' rather than enthused Thatcher – but she also deemed them unavoidable to demonstrate economic competence. If the Conservatives were following ideology when cutting expenditure, we would expect them to have selected specific cuts which Thatcher regarded as desirable, not undesirable. Vinen (2009, p. 283) seeks to demonstrate the importance of defence and the Cold War within Thatcherite ideology by claiming that Thatcher's ministers were unwilling to make defence cuts. In the dispute between Pym and the Treasury in 1980, despite disinclination to cut defence as Vinen highlights, Thatcher decided to support the Treasury's position. Ideological sympathy for defence remained, but this was insufficient to alter the policy direction.

Accommodating parliamentary concerns led Conservative ministers to attach greater priority to defence expenditure during Thatcher's first term than they otherwise

would have done. Feeling on the Conservative backbenches was partly a channel for grassroots opinion. As such, their influence on defence supports the proposition that party activists pull policy-making in a more ideological direction. Parliamentary agitation ensured that meeting the NATO target of 3% annual increases in defence spending was a central issue. In early 1982, Thatcher's government came under significant pressure from backbenchers in relation to both overall defence expenditure and funding for Royal Navy vessels. Citing party views, on 9 February 1982, Nott wrote to Thatcher to protest against implied increases of 'only 2.3% real growth [for the defence budget] in the later PESC years' in the Public Expenditure White Paper, falling below the 3% NATO target to which Nott had committed in the July 1981 Defence Programme (Nott, 1982b). In coordination with Nott, on the same date, Jopling (as Chief Whip) wrote to Thatcher intervening in support of Nott's position, noting that 'My principle [sic] concern is not with the merits of the arguments but rather with the effects on the Party both in the House and the Country generally. Two of our main electoral promises were increased expenditure on Defence and law and order.' (Jopling, 1982a). Support for defence spending existed within 'the Party both in the House and the Country', but it was primarily through the House that these matters came to ministerial attention. Jopling warned that 'Our backbench Defence officers are already giving the Department a very rough ride. They will be increasingly uneasy later this week at the Dreadnought announcement. If, within a few weeks we announce that we are climbing off our NATO commitments, I predict there will be very serious trouble.' (Jopling, 1982a). In his interview, Jopling (2019) did not recall this letter. However, as a general point about his time as Chief Whip, Jopling remembers that 'There were people, particularly on the right-wing of the party, who were particularly concerned about the level of defence spending. [...] You get a bigger proportion of people from the right on defence, who were unhappy about defence spending, whereas that anxiety is not so obvious on the left of the party, but it still goes down to a fairly narrow point.' (Jopling, 2019). Jopling's evidence confirms the association between pressure for defence expenditure and rightwing ideological views within the party. In the February 1982 dispute, following further negotiations, the Treasury reluctantly acquiesced to Nott's language reiterating the government's commitment to meeting the 3% target 'in full' and reviewing cash limits in future years as required to meet that target (Whitmore, 1982). The risk of parliamentary and activist discontent prompted the Chief Whip's intervention and assisted Nott in prevailing. In a study of Conservative backbench opinion covering the period from 1948 to 1957, Onslow (1997, pp. 228-229, p. 235) highlights the role of the Suez Group of

backbenchers in pushing for a more belligerent approach to foreign affairs. This thesis shows that the role of Conservative backbenchers with an interest in defence issues was still strong in the early 1980s. Pressure from within a political party sometimes produces decisions more consistent with ideological priorities.

However, views of the parliamentary and voluntary parties were more likely to influence policy if senior frontbenchers were already sympathetic. Potential unhappiness within the party could tip the balance in internal debates within government, but ministers were the key conduit through which their influence could be exerted. In the February 1982 dispute over the NATO target, the prospect of a backbench revolt was used by Nott to protect his department's budget and the Chief Whip aided in this cause (Jopling, 1982a; Nott, 1982b). This resulted in an outcome closer to New-Right ideology, but it also reflected Nott's departmental interests. The policy-seeking goals of backbenchers are easiest to advance in concert with ministerial allies. Ministers can also selectively listen to backbench opinion according to their agenda. In the same month as Nott and Jopling's letters to Thatcher, Nott was urged by John Wilkinson, his Parliamentary Private Secretary, to allow the service chiefs to attend Conservative Backbench Defence Committee meetings, characterising the issue as 'more contentious and highly charged than we imagined.' (Wilkinson, 1982). Nott had previously blocked their participation. On the same day as Wilkinson wrote to him, Nott wrote to Antony Buck, the Chairman of the Conservative Backbench Defence Committee, reaffirming his previous decision that the Chiefs of Staff should not attend party events but stressing that 'I am of course very much in favour of an open discussion of all aspects of defence policy. I and my Ministers are always available for this' (Nott, 1982a). Apart from propriety concerns, Nott wanted to be the channel through which objections were directed. In the same letter as he raised the issue of the service chiefs' attendance, Wilkinson advised Nott that 'On the question of the future of the Assault Ships, HMS Intrepid and HMS Fearless, I myself would very much back your judgement that these vessels should be kept in service', adding that 'It would undoubtedly greatly reduce the severe criticism which [MOD] policies have encountered from backbenchers with Naval or Royal Marine personal backgrounds, or constituency interests.' (Wilkinson, 1982). In line with what Wilkinson noted to be Nott's prior preference, Nott announced retention of both ships in a parliamentary answer in March (House of Commons, 1982b). This suggests that parliamentary opinion contributed to keeping the assault ships. Yet earlier on 23 February 1982 Nott defended selling the aircraft carrier HMS Invincible in line with decisions made in the 1981 Defence Programme, despite hostile

questions from Conservative backbenchers (House of Commons, 1982a). Backbench opinion could temper decisions, particularly where ministers shared backbenchers' sentiments. Nevertheless, there were institutional and political obstacles to party opinion causing a fundamental shift.

5.4.2. Electoral Politics

In the aftermath of May 1979, with no prospect of an immediate general election, electoral factors were of reduced importance to defence expenditure policy. This finding supports the proposition that electoral considerations are not as pivotal in shaping policies when the next election is more distant. The Conservatives knew that they were vulnerable to allegations of hypocrisy if they failed to honour pledges on defence expenditure, but proceeded with cuts. In August 1979, Richard Ryder (Thatcher's Political Secretary) received a note from Peter Joynes, the CRD desk officer covering defence. Aware that the Public Expenditure White Paper would be unfavourable for defence, Joynes communicated 'my misgivings on this subject', argued that expenditure would not match Labour's projected levels, and warned that 'Labour's new [Shadow] Defence Secretary, Bill Rogers [sic], is an old and skilful hand who is unlikely to miss the opportunity of exploiting the weakness of our position.' (Joynes, 1979). When the White Paper came to cabinet, disputes centred on the Treasury's interpretation of the NATO target for 3% real-terms increases as referring to a rolling average rather than year-on-year real-terms increases, and it was highlighted 'that the Government was heavily committed, by its statements in Opposition' to year-on-year 3% increases (Cabinet Office, 1979). The Cabinet sided with the Treasury, with Thatcher summarising 'that the Cabinet noted the serious reservations of the Secretary of State for Defence but the majority view seemed to be that it would be best to plan on the basis proposed by the Chief Secretary, Treasury.' (Cabinet Office, 1979). The Cabinet took a collective decision that their policies in office would not reflect their preelection rhetoric. By October 1980, the Treasury was seeking further cuts reflecting a tighter fiscal stance, leading Biffen as Chief Secretary to propose 'moving away from certain commitments made previously, notably in relation to health, defence, education and social security' (Biffen, 1980b). With the next election three or four years away, promises for higher defence spending made for electoral gain prior to 1979 were casualties to the government's response to economic challenges.

Electoral concerns raised by Nott succeeded in limiting the scale of defence reductions in the short term. From an institutional point of view, this reflected that adjusting the size of cuts was not incompatible with imposing financial discipline on defence. In a letter to the Prime Minister in March 1981, Nott outlined £105m cuts he proposed to implement but objected to a further £36m in cuts (including reductions in ships, aircraft and ammunition) that would be required to meet the Treasury cash limit, arguing that 'The consequences of the changes listed below the line in the Annex, set beside the relatively small sums involved [...] would lead the general public to believe that we had taken leave of our senses. I could not recommend such a course of action to my colleagues as much as anything else due to the likely consequences for the Conservative Party.' (Nott, 1981). In response, Howe insisted that 'I cannot therefore judge whether the individual measures listed "below the line" in the Annex to his minute will be required. [...] I am quite sure that the programme must be brought in line with the cash limit. If in John's judgement that will require him to take all or any of these measures, I have to say that I believe he must do so.' (Howe, 1981b). In a meeting with Howe, Nott, Whitelaw, Joseph and Peter Carrington at Downing Street two days later, Thatcher sided with Nott, concluding that the meeting 'accepted that he should not make programme cuts at this stage to find the remaining £36 million but that his department and the Treasury should seek to agree on how this gap was to be closed when the cash limit for 1981/82 was to be reviewed later in the year.' (Whitmore, 1981). In making this decision, Thatcher had been briefed on the political consequences highlighted by Nott in his letter. On the day before the meeting, the Cabinet Secretary, Robert Armstrong, counselled Thatcher that she should 'support the Chancellor on the issues of principle. But in practical terms your meeting cannot simply order Mr. Nott to meet his cutting obligations in full regardless of the consequences' and that 'the sort of measure which would be needed might be a total ban on recruitment for the Services for the whole financial year – which would be impossible for the Government to defend in light of their declared defence policy.' (Armstrong, 1981a). This corresponded with Thatcher's subsequent decision (permitting Nott to avoid the additional cuts while leaving the principle of cash limits intact). While Armstrong was a civil servant, he recognised the electoral concerns and arbitrated the competing claims of Howe and Nott in his advice to Thatcher. Thus, the size of defence cuts was limited in order to preserve the political credibility of the government, but in such a way which avoided the Treasury conceding the principle. This left open the possibility of imposing discipline through cash limits on future occasions.

Ensuring the electoral survival of the Conservative government provided a strong incentive for military recovery of the Falkland Islands, but also required the Conservatives to appear as if they took the prospect of negotiations seriously at the beginning of conflict. Thatcher personally believed that the most advantageous electoral position was successfully reclaiming the islands while appearing to have undertaken diplomatic efforts. In his 9 April telegram to Reagan, Haig advised that Thatcher 'is convinced she will fall if she concedes on any of three basic points, to which she is committed to Parliament', including Argentine withdrawal, reinstatement of British administration and self-determination (Haig, 1982a). If Thatcher wished to remain leader, she saw no alternative to militarily reclaiming the Falklands. Yet Thatcher's government engaged seriously with US efforts to find a diplomatic settlement until British landings in the Falkland Islands began in the second half of May. Participation in negotiations reflected international pressure as described above, but also the domestic political situation. In the minutes of a meeting with Haig on 13 April, it is recorded that 'The Prime Minister said that if negotiations broke down at this point, she felt that the public reaction here might be that we had not tried hard enough.' (Downing Street, 1982). Even though Thatcher was very reluctant to give ground, sustaining a domestic perception that diplomacy was being attempted provided reason to continue discussions as well as international expectations. From an electoral perspective, successful military action following intense diplomacy was optimal.

The military operation to reclaim the Falkland Islands proved a major political success. Once amphibious landings commenced, increased anticipation of British military victory removed any domestic political rationale to negotiate. In one of his regular reports for Conservative Central Office, produced on 12 June (two days before the Argentinian surrender) and covering polling conducted from 2 June to 7 June, Conservative pollster Keith Britto noted 'The continuing upward trend in Conservative support – up from 31.0% (13/19 April) to 48½% in the latest study' and that Labour support had fallen to 23½% in the new figures (Britto, 1982b). Earlier reports over the preceding weeks had shown the same trend, with Britto's report on 25 May, covering polling conducted from 12 May to 17 May, '[finding] for the first time since the election more people being satisfied with Mrs Thatcher as Prime Minister than are dissatisfied' (Britto, 1982a). Public opinion made Conservative politicians less willing to compromise, even those who had been sceptical of military action during April and early May. In a telegram on 26 May, responding to Haig's latest diplomatic efforts, Pym advised that 'with the establishment of the British bridgehead in the Falklands, there has been a major change in parliamentary and public

opinion in Britain. It would no longer be realistic to ask people here to accept the ideas of an interim administration or mutual withdrawal from the Falklands. They are just not political starters now.' (Pym, 1982a). This identifies 'the British bridgehead' as a politically pivotal moment. The amphibious landing at San Carlos Bay began on 21 May (Moore, 2014, p. 732). Previously, Pym had agreed proposals for interim administration of the Falkland Islands with Haig. Thatcher reluctantly embraced mutual withdrawal and international administration as part of Peruvian peace plan on 5 May (Thatcher, 1982b). As the conflict progressed, public approval of Thatcher's performance increased and political opinion was less receptive to negotiations. Bueno de Mesquita et al. (2003, p. 236) argue that democratic leaders generally choose war over diplomacy only when they expect victory, because their political survival depends on the outcome, but also that the need to survive politically leads to democratic leaders putting maximum effort into obtaining victory. Pym's letter to Haig indicates that the land operation starting and the reduced risk of defeat changed the political dynamics. After initial military success, political opinion convinced Pym that diplomatic options that he previously supported (and Thatcher reluctantly entertained) were unviable even as Haig persisted. The war's popularity proved more significant than ideology in strengthening ministerial resolve against American pressure.

5.4.3. Institutions

The first Thatcher government's approach to nuclear strategy and replacing Polaris was closely tied to the policies and expectations of NATO, the United States and West Germany. This provides an example of a new governing party opting for conformity with existing institutional norms. In a June 1979 meeting with the American general serving as the outgoing NATO Supreme Allied Commander Europe (Haig, prior to his appointment as Secretary of State under Reagan), 'In a discussion on SALT II, the Prime Minister explained that [...] she had concluded that the political consequences of its non-ratification would be more serious than the defects of the Treaty itself.' (Downing Street, 1979a). Despite the doubts she voiced in opposition, Thatcher quickly aligned with the Carter administration. Likewise, there was little scope for substantive government discussions when it came to the decisions to order Trident missiles in 1980 and to move to the Trident II programme in 1982. In a briefing for Thatcher in July 1980, advising on how to explain to cabinet the decision already taken by a select group of ministers previously, Armstrong cited precedents for not consulting cabinet and noted that the capability requirements for a new

ballistic missile 'virtually restricted the choice to an American system.' (Armstrong, 1980). The decision to purchase Trident, as well as the process by which it was reached, reflected a continuation of previous government policy and a commitment to following an American-led nuclear strategy. In his memoirs, Nott recalls that in 1981, 'Just as I was putting the Defence Review to bed, the new Reagan administration announced that they were abandoning the existing Trident I infrastructure and going to Trident II. This presented us with a serious dilemma', as Britain needed to use the same system as the United States (Nott, 2002, p. 219). British policy evolved in response to American policy. In her memoirs, Thatcher recalls that 'The more we considered the question the more it seemed that if we were to maintain a credible deterrent, which I was utterly determined we should do, we must indeed have the Trident II. But we must get it on the best possible terms', and refers approvingly to the terms reached (Thatcher, 1995a, pp. 247-248). Beyond the fundamental choice over having nuclear weapons at all, nuclear policy specifics were driven by American decisions.

The same willingness to set aside ideological and political concerns to remain in step with NATO allies was seen regarding American cruise missiles in Britain. In September 1979, Pym as Defence Secretary informed Thatcher that he would permit US land-based cruise missiles in Britain and that he intended to advise allies that while it 'is not without domestic difficulties for us we are prepared to accept an extra flight on the understanding that this will enable the Federal Republic [of Germany] to join us in firm support [...] of the US deployment plans as adjusted.' (Pym, 1979b). Pym accepted more missiles consistent with what was expected of a good ally. Nott as Defence Secretary proposed to establish a layer of British physical control of US nuclear weapons in Britain (known as the dual key), which Thatcher dismissed as unnecessary and as likely to raise unwelcome questions regarding the control of nuclear weapons in Germany (Thatcher, 1995a, p. 268). In October 1982, Pym (now as Foreign Secretary) responded to a minute from Nott on the subject with a warning that 'So far we have been the most staunch and dependable of the allies in our support for the modernisation programme. Any hint at this stage that we are having second thoughts about the 1979 decision on GLCM [Ground Launched Cruise Missile] deployments could put at risk the whole enterprise.' (Pym, 1982b). Despite Nott's political eccentricities (which made him relatively less amenable to institutional constraints), there was an unwillingness on Thatcher and Pym's part to deviate from NATO policy. Colbourn (2018, pp. 26-27) highlights that Canadian Prime Minister Pierre Trudeau responded to domestic discontent over American cruise missile tests on Canadian soil, in 1982, by citing

NATO obligations. The Thatcher governments exhibited the same deference. This led to a lack of interest in ideological or political arguments regarding nuclear sovereignty. The centrality of NATO to British defence policy influenced ministers towards choices which served NATO interests.

Institutional resistance to treating defence expenditure as a special case extended to the Cabinet Office as well as the Treasury. In the tough fiscal environment of Thatcher's first term, more finance for defence meant less elsewhere. Administrative objections to defence commitments often failed when they clashed with political imperatives. However, in the medium term, they eroded the expectation that defence was different and established a trajectory whereby discipline would be gradually imposed. In May 1979, when Pym wished to inform NATO that the Conservatives would increase defence expenditure by 3% annually, Cabinet Secretary John Hunt complained to Thatcher that 'The Manifesto is quite clear that the Defence budget must be given priority, but the extent of that priority is still be considered', urging that 'while of course defence must have top priority, we must not enter into any precise or irreversible commitment at this stage, until the Public Expenditure Survey as a whole has been studied by Ministers.' (Hunt, 1979). Similar procedural objections emerged two years later when Nott (1981) requested permission to spend above the MOD cash limit. Commenting on Nott's letter to Thatcher, Deputy Cabinet Secretary Robert Wade-Gery observed that 'Mr. Nott's minute to the Prime Minister of 11th March is a remarkable document in at least three ways', proceeding to accuse Nott of a 'breathtakingly untrue' claim (that it would be easier to identify cuts later) and suggesting that Nott 'must have prepared the ground in advance with the Prime Minister' to engage in such tactics (Wade-Gery, 1981). On both occasions, in May 1979 and March 1981, Thatcher ultimately permitted her Defence Secretaries to proceed as they proposed in spite of the administrative concerns. Yet Thatcher would later reverse course in her support for 3% increases in defence expenditure, with Pym forced to accept a compromise crafted by Hunt in October 1979 (Hampshire, 2015, pp. 366-367). Likewise, Armstrong as Cabinet Secretary ensured that the additional £36m requested by Nott in March 1981 was predicated on Thatcher backing 'the Chancellor on the issues of principle' involved (Armstrong, 1981a; Whitmore, 1981). Subsequently, Armstrong wrote to Nott in December 1981 confirming increases in the cash limit for 1981-82 and 1982-83 in exchange for agreement on the calculation of price increases and a review process to ensure MOD adherence to future settlements (Armstrong, 1981b). Satisfying cabinet colleagues, NATO

allies and public opinion led to reprieves for defence spending during Thatcher's first term, but senior civil servants embedded a framework under which spending would fall.

Free-market influences led some ministers to question defence procurement policies, in particular awarding uncompetitive contracts covering unforeseen costs. Yet such concerns resulted in inertia rather than significant change during Thatcher's first term. Economic liberalism was not absent, but policy change was impeded by bureaucratic and sectional obstacles. Defending the government's existing approach, in response to a Downing Street letter, David Omand (Pym's Private Secretary) advised Thatcher's Private Office in November 1980 that, 'Free market forces as we would normally understand them do not operate in the customary way over most of the defence industries' (Omand, 1980). The same reply concluded that 'Industry is currently arguing that profits for noncompetitive work are likely to be quite inadequate' unless the government actually increased fees (Omand, 1980). Thatcher was unimpressed, scribbling 'Not really very informative' at the top of Omand's letter, but her unhappiness did not entail a change of approach. Over two years later, in February 1983, Heseltine requested and received a briefing on cost-plus contracts, the system under which defence suppliers were paid for the cost of delivering the contracts and an additional amount to generate profit, from his department (MOD, 1983). This argued that ministers decided in November 1982 that a cut in the target rate for profits on such contracts 'would have had a demoralising effect on defence contractors' and that it was preferable to await an independent review board's report 'rather than to interrupt the established triennial review cycle'. (MOD, 1983). Heseltine's memoirs reveal that the context to this briefing note was a significant disagreement over whether to retain the existing system. Heseltine states that, on becoming Defence Secretary, 'I lost no time in indicating that this approach had to change [...] and that cost-plus was in future to be the exception rather than the rule.' (Heseltine, 2000, pp. 269-270). However, as the February 1983 note indicates, Heseltine's approach was not enthusiastically received within the MOD. Heseltine complains that 'The deputy under-secretary for defence procurement, Kenneth MacDonald, persisted in arguing for the current system. It led to the only time I can remember when, having had three meetings on the specific issue, covering the same ground again and again, I said in exasperation that I was not prepared to discuss the matter further.' (Heseltine, 2000, p. 270). Despite Thatcher expressing dissatisfaction in November 1980, it was not until February 1983, after two changes in Defence Secretary, that procurement policy changed in the face of

administrative and industrial opposition. The effect of neo-liberal ideas was hindered by institutional factors.

5.5. Second Term

5.5.1. Ideology

The dispute over the future of Westland Helicopters, leading to Heseltine's resignation, was situated in overarching ideological debates. Deciding between Sikorsky (an American firm) or a European consortium as a partner for Westland raised questions over Anglo-American and European visions for the British defence industry, and government intervention in markets. In opposing Heseltine's support for the European option, Thatcher and her advisers perceived Heseltine's proposal as contrary to ideological principles. In a briefing on 4 December 1985, first to Charles Powell (Thatcher's Foreign Affairs Private Secretary) and then to Thatcher, special adviser Peter Warry complained that 'Michael Heseltine is proposing that a Conservative Government should intervene to kill a private sector rescue of Westlands – which amazingly costs the Government nothing – in order to promote a European deal which will reduce competition and result in the stripping of Westlands, such as it will only survive long term with state subsidy.' (Warry, 1985). The first part of the quote was both highlighted and underlined in handwritten annotations, suggesting it was significant to Powell and Thatcher. Similarly, an underlying disagreement is evident in a letter sent by Heseltine's Private Secretary Richard Mottram to Powell on 6 January 1986, three days before Heseltine's resignation, wherein Mottram communicates Heseltine's view that developments, since an earlier cabinet decision, 'merit a change in [the] policy' of not favouring either the American or European bid (Mottram, 1986). We should not dismiss the ideological differences which led Heseltine to seek alternative solutions to other cabinet members.

However, while ideological context is important for understanding the stances adopted, the decisions made were rooted primarily in political and administrative rivalries. In particular, Thatcher and Heseltine each felt that their authority was threatened by the other. On 23 December 1985, Nigel Wicks (Thatcher's Principal Private Secretary) informed Thatcher that Heseltine had privately threatened to resign, when complaining 'about his "humiliation" in Cabinet!' (Wicks, 1985). The ideological issues at stake had become secondary to Heseltine's political positioning and related procedural disputes. Despite

requesting a change in policy, the focus of Mottram's January 1986 letter to Powell was not altering policy but disputing the existing policy's content, insisting on Heseltine's behalf that 'There is no suggestion in the Minutes that recommendations of the NADs [National Armament Directors in Europe, who recommended buying only European helicopters] were being objected to on grounds of defence procurement or competition policy.' (Mottram, 1986). Ideological differences may have informed Thatcher and Heseltine's positions, but the dispute had become concerned with political and institutional interests. Before responding to Mottram's January letter, Powell sought the views of J. B. Unwin, a Deputy Secretary at the Cabinet Office previously affiliated with the Treasury. Unwin (1986) argued that 'this particular saga, other considerations apart, is an example of the kind of difficulties we get into by not having a clear strategy from the Ministry of Defence on international collaboration in the defence procurement field.' This reveals discontent within the core executive over the MOD's handling of defence procurement. Earlier, Leon Brittan as Trade and Industry Secretary, when criticising the National Armament Directors' recommendations in a letter to Thatcher on 3 December 1985, noted that 'we must, of course, take into account not only the Ministry of Defence's interest as a customer but also my own Department's [interest] through its launch aid to Westlands.' (Brittan, 1985). Competing policy positions were not merely ideological but reflected departmental interests. Dunleavy (1990, pp. 46-49) draws attention to a policy entrepreneur account of the Westland affair which highlights the differing interests of the MOD and the Department of Trade and Industry as well as their ministers, suggesting that Heseltine was influenced by MOD civil servants. Whether Heseltine was pursuing a personal or departmental agenda, documentary evidence suggests that both the Cabinet Office and Brittan saw the dispute in departmental as well as personal terms. Despite a significant ideological dimension, it was primarily political and bureaucratic rivalries which led to confrontation.

By the mid-1980s, senior ministers were no longer interested in achieving a major expansion in defence expenditure. Defence remained a rhetorical priority, but there ceased to be genuine aspirations about translating this into resources allocated. The realisation that defence was an easier target for reductions undermined the connection between rhetoric and policy. The key turning point was the end of the commitment to the NATO target (3% annual real-terms increases) in 1985-86. Whereas disputes previously centred on the rate of increase and how this was calculated, once unconstrained by the NATO target, ministers planned net reductions in expenditure. In November 1984, Whitelaw (who presided over the Star Chamber for public expenditure) confirmed that 'For later years

[after the end of the commitment to the NATO target in 1985-86], the baseline figures should remain unchanged, apart from an agreed addition of £300 million for Falkland Islands expenditure in 1987-88. The Secretary of State for Defence points out that the resulting figures will show a decline in the real value of defence provision [...] It would be helpful presentationally to accompany their publication by a statement indicating that they are subject to review.' (Whitelaw, 1984). No longer committed to the NATO target, ministers representing other departments were content for real-terms defence expenditure to fall with only a presentational caveat. Gamble (1994, pp. 114-115) highlights that the Thatcher governments rhetorically attacked the role of the state but failed to cut public expenditure overall. In the following sub-section, Gamble (1994, pp. 115-116) emphasises the ideological importance of defence for the Conservatives in the context of the Cold War. While (as Gamble observes) the Conservatives were unable to achieve overall reductions in expenditure, Whitelaw's November 1984 minute reveals that the Conservatives consciously decided to cut defence expenditure specifically in real terms. This was the opposite of what ideological considerations would suggest. The Conservatives struggled to control public expenditure generally, but they had little difficulty cutting the defence budget despite its ideological importance.

The lack of priority given to defence by the Conservatives raises questions about the relationship between ideology and policy. In line with the proposition that parties become less ideological the longer that they are in government, time in office changed attitudes to defence expenditure. The increasing timidity of defence ministers in spending negotiations is striking, as they aimed to protect their budget rather than seeking the increases previously promised. This also partly reflected a change in Thatcher's position, due to her scepticism of defence procurement. The MOD's tactics moved from demanding substantially greater resources to advocating level funding in real-terms. In Annex B (entitled 'Points to make') to an internal briefing prepared for Heseltine in June 1985, he was advised: 'Recognise that real growth [is] no longer realistic. However, [the] drive for efficiency [is] starting to produce results. These should be the means of increasing output and so compensating for lack of growth; not a means of reducing the defence budget.' (Macdonald, 1985b). The starting position was level funding. Later, when Heseltine's successor George Younger appealed in May 1987 to Thatcher for additional funding before the 1987 General Election, 'He got surprisingly little sympathy from her' according to an internal Treasury memorandum following the election (Robson, 1987). This is confirmed by a Downing Street letter to Younger's Private Secretary, dated 5 May 1987, which states

Thatcher 'drew attention to the huge waste which had been incurred in the procurement of a range of weapons, and to the need to take a firm grip on military R&D.' (Norgrove, 1987a). This was very different from Thatcher's protestations that 'nobody was more disappointed than she that the Defence Programme had to be cut' when forcing Pym to accept lower expenditure in August 1980 (Whitmore, 1980). By contrast, in May 1987, Thatcher's suspicion of waste in defence procurement now overrode instinctive sympathy for the nation's defences in the abstract. The experience of government weakened long-standing objectives for greater defence expenditure.

5.5.2. Electoral Politics

Like ideological arguments, electoral concerns did little to shield defence expenditure from spending reductions during Thatcher's second term. When defence ministers raised concerns on electoral grounds, these were often disregarded for administrative reasons. This applied in all phases of the electoral cycle. In April 1985, in a letter to Thatcher objecting to 'an artificially low baseline' for defence in proposals put forward by Treasury ministers, Heseltine noted that he had persistently denied 'that cuts will be forced upon me' and declared that 'I see nothing but political damage to the reputation for the management of the nation's defences that we have won if I have to abandon these statements for the sake of a hypothetical Treasury exercise.' (Heseltine, 1985). Writing to Thatcher in response to objections to his proposals from Heseltine and other spending ministers, Peter Rees as Chief Secretary to the Treasury defended his proposal on administrative grounds, claiming that 'This factor is purely a mechanism to provide the initial baseline and starting point for subsequent Survey discussions' (Rees, 1985). This response overlooked the likelihood that the 'starting point' implied by the baseline would constrain the final settlement's generosity. Indeed, the MOD only intended to ask for level funding (Macdonald, 1985). As Heseltine's protest indicated, setting the baseline was not merely a procedural point. Replying to the correspondence, Downing Street confirmed that Thatcher 'agrees that the Chief Secretary should proceed on the basis that he proposes.' (Turnbull, 1985). Heseltine's political arguments against defence cuts implied by the Treasury's preferred baseline were not so much dismissed as unaddressed. This highlights the significance of the Treasury's control over the spending review process. We cannot attribute the lack of regard for electoral considerations to either Thatcher's poor relations with Heseltine or distance from the next election. As noted above, when Heseltine's

successor Younger appealed to Thatcher for a pre-election boost in May 1987, he received only a lecture on extravagance in procurement (Norgrove, 1987a). From 1983 to 1987, the Conservatives and Thatcher individually did not find the electoral case for higher defence expenditure to be convincing.

Maintaining the political advantages of supporting Trident missiles led the Conservatives to dismiss alternative approaches to nuclear deterrence. Conservative politicians shifted from a feeling of satisfaction (over the contribution of their commitment to nuclear deterrence in their 1983 victory) to concern (over subsequent domestic and international developments). Rather than the Conservatives chasing votes by changing policy, they instead rejected alternative policies in order to establish the necessity of their own favoured policy. In a October 1983 note for both Thatcher's foreign policy adviser and political secretary, Policy Unit special adviser Peter Shipley opined that 'The disarmers lost the public debate at the general election' and asked 'how do they turn public opinion round, having seen much of the wider sympathy they built up between 1980 and 1982 evaporate?' (Shipley, 1983). This reflected confidence that nuclear deterrence proved to be an electorally successful issue. By 1985, Thatcher's advisers were more alarmed by debates on nuclear weapons and Trident specifically. In a Policy Unit briefing on Heseltine's draft statement on the Defence Estimates (a White Paper), Nicholas Owen advised Thatcher that 'We are losing the Trident argument with parts of the defence community – backbench opinion and the quality newspapers have opposed it, on the grounds that it is excessive for minimum deterrence' (Owen, 1985). The focus had moved from peace protesters to Conservative MPs and broadsheets. Owen (1985) argued that 'Cruise will be vulnerable to Soviet SAMs as the latter develop, but presumably the Americans will develop Cruise in line with this threat. The essay [referring to the draft section on Trident] should deal with this argument more fully, explaining the need to penetrate Moscow's defences, otherwise backbench and defence correspondents will continue to harp on about Trident's costs.' In the same month, the Paymaster-General, John Selwyn Gummer, wrote to Heseltine expressing that 'I am anxious to counter the growing argument which proposes that Trident becomes unnecessary if we go into Star Wars [Reagan's Strategic Defence Initiative].' (Gummer, 1985). When Conservative policy-makers feared that public support for Trident was falling, their response was to reiterate their existing policy and dismiss rival defence policies. Painting a picture of stability and strength in Conservative defence policy throughout the second term, Holmes (1989, pp. 81-82) argues no change occurred in public opinion between the 1983 and 1987 general elections. The archival evidence shows that,

by the middle of the second term, the Conservatives were concerned by the Trident debate and particularly the international context related to nuclear arms control. This did not result in policy change because the Conservatives preferred to discredit alternatives. They were committed on Trident to an extent that changing course would have undermined their credibility.

Following the October 1986 Reykjavík Summit, electoral factors contributed to Thatcher's alarm over American concessions to the Soviet Union and implications for British defence. Electoral interests shaped policy even in an area often discussed through the prism of strategic and moral questions. While as a believer in deterrence Thatcher had substantive objections to Reagan's goal of abolishing nuclear weapons, these were coupled with concerns about the electoral consequences of Reagan's specific proposal to eliminate ballistic missiles within 10 years, when Trident had become a dividing line between the government and its political opponents. When Thatcher met Reagan at Camp David in November 1986 to protest against the proposal to eliminate ballistic missiles, one of her briefing cards read: 'Above all you have to consider the effect of your proposal on pro-American governments in Europe and particularly in the UK. The political effects could be devastating and bring to power governments which would remove American bases and weapons and reduce your security.' (Powell, 1986). A subsequent card read: 'Most important in political terms, it would help if you would reaffirm your intention to proceed with your own strategic modernisation programme and confirm your support for the supply of Trident to the UK under current arrangements.' (Powell, 1986). These briefing cards reveal the influence of British domestic politics on NATO nuclear strategy and the cardinal importance of retaining Trident for the Conservatives politically. The day that Thatcher arrived in the United States to meet Reagan, her Political Secretary Sherbourne received a note from John Houston, special adviser to Howe as Foreign Secretary (Houston, 1986b). This enclosed an earlier minute by Houston entitled 'Next Steps on Presentation of Arms Control and Defence Policies', with a section entitled 'Help from Abroad' describing how friendly foreign politicians, 'mainly Republicans and CDU/CSU', should be encouraged to criticise Labour defence policies (Houston, 1986a). In his interview, Sherbourne recalls 'I think she [Thatcher] genuinely saw defence as her belief, but she also thought tactically that this was a very effective policy on which to attack the other side for being weak and feeble' (Sherbourne, 2018). The Conservatives recognised defence (especially nuclear defence) as favourable terrain on which to attack Labour and valued the perception that Conservative policies formed part of an international security consensus. In outlining a

framework for analysing the Thatcher governments, Bulpitt (1988, p. 184) argues that governing parties will pursue self-interest (not the interests of their state) within external affairs. Bulpitt (1988, p. 201) goes on to characterise the Reykjavík Summit as an unwelcome surprise for the Conservatives which was mitigated by the 1987 General Election occurring before the agreement on intermediate-range nuclear forces came to be finalised later that year. The archival evidence available now, in addition to confirming that Reykjavík Summit was not well-received, shows that Thatcher used a meeting with Reagan to lobby against his policy citing domestic political circumstances. This is consistent with Bulpitt's assumption that parties follow domestic political interest in foreign affairs.

5.5.3. Institutions

The Star Chamber process incentivised the Treasury to seek the largest possible reductions in defence expenditure in bilateral negotiations with ministers. Administrative tactics led the Treasury to neuter MOD funding bids with demands for large cuts. The Treasury could do this because the Star Chamber institutionalised restraint by compelling ministers to make choices which complied with overall planning totals. In September 1986, John MacGregor as Chief Secretary was advised by Dianna Seammen, a Treasury official responsible for defence, to settle for no change in the baseline for MOD funding for 1987-88 and 1988-89, and to accept an increase of £150m from the baseline for 1989-90 (Seammen, 1986). Seammen was concerned that, if the Treasury did not settle, the Star Chamber might adopt a real-terms increase for 1989-90 (requiring a rise of £292 million from the baseline in cash terms) because 'the principle of level funding could have political attraction.' (Seammen, 1986). However, counselling against such a settlement, Butler, Second Permanent Secretary of the Treasury, advised MacGregor that 'I still believe that you have some chance, when colleagues see the overall scale of the problems in the Survey, of achieving the cuts of -300, -300, -300 which you have proposed.' (Butler, 1986b). Significantly, Butler added that 'Even if you do not get your reductions, I would think that there is still a fair chance of persuading the Star Chamber to split the difference in the last year between you and Mr. Younger. In that case, you would come out no worse than DM is now proposing.' (Butler, 1986b). Asked about this advice, Butler commented in his interview, 'Under Whitelaw as Chairman of the Star Chamber, the process was particularly effective, in that Whitelaw let it be known that, if Secretaries of State could not reach agreement with the Treasury and they came to the Star Chamber, they would do worse

than if they had settled. This became known and believed, so the threat of the Star Chamber was effective means of controlling public expenditure.' (Butler, 2019). Such tactical considerations blocked a potential budgetary settlement. In line with the prediction of Butler (1986b) that they would 'split the difference in the last year', the Star Chamber ultimately agreed no change from the baseline for 1987-88, a reduction of £33m from the baseline for 1988-89 and increase of £157m from the baseline for 1989-90, compared to an MOD proposal of a £432m increase from the baseline for 1989-90 (Whitelaw, 1986). Despite the political risk of cutting defence expenditure in real-terms (noted in Seammen's letter), the compromise adopted by the Star Chamber was similar to the terms which Seammen proposed offering to the MOD previously, but with an extra cut of £33m agreed for 1988-89. Instead of electoral arguments, the decision on defence expenditure was driven by the Star Chamber's institutional dynamics and the incentives it created for the Treasury beforehand.

Reductions in defence expenditure were aggressively pursued in part due to Treasury efforts to ensure that the defence budget was subject to the same standard of scrutiny as other departments. As Defence Secretary, Heseltine strongly resisted Treasury interference on procedural grounds, whereas Younger was more open in principle but still resisted specific cuts. This highlights that ministerial performance is a key factor conditioning institutional considerations. The Treasury faced a more pliable opponent in Younger than Heseltine. In his memoirs, Lawson complaining about the practice of granting a block budget to defence (without item-by-item scrutiny), laments that 'Heseltine had not been prepared to surrender the block budget which he had inherited, chiefly because he wanted to use the defence budget to implement a UK industrial policy' (Lawson, 1992, p. 313). Lawson claims that Heseltine's departure led to acceptance in April 1986 that the MOD would 'open its books to the Treasury and allow the expenditure round to be conducted on an item by item basis', as part of an 'unrecorded concordat between George Younger and John MacGregor, buttressed by a similar one between [Clive] Whitmore and [Robin] Butler.' (Lawson, 1992, pp. 313-314). Butler (2019) did not recall this in his interview. Despite the concordat described by Lawson, in July 1986, Butler wrote to MacGregor observing that, 'the prospects for achieving cuts [in defence] have worsened' and mentioned 'a political climate in which cuts will be hard to achieve.' (Butler, 1986a). Questioned about this in his interview, Butler commented, 'I am rather surprised by that because, when Heseltine went, he was a big and forceful minister. George Younger was a very much more amenable person.' (Butler, 2019). The wider archival evidence accords

with Heseltine offering more fundamental resistance to the Treasury's proposals, but it also shows that Younger still opposed cuts. In his April 1985 letter to Thatcher, referenced above, Heseltine disputed the Treasury's approach to cash planning, complaining that 'there remains an unease that the underlying rationale for cash planning has little to do with increased efficiency but is instead a mechanism for ratcheting down programmes regardless of their priority.' (Heseltine, 1985). In April 1986, Younger continued to raise objections. During the 1986 Public Expenditure Survey, Younger's Private Secretary complained to the Treasury 'that the new cash uplift factor for programme expenditure and running costs should again fall short of forecast inflation' and argued this was unrealistic (Howe, 1986). Younger endeavoured to continue to protect the defence budget, but his point in April 1986 was limited to the size of the cash uplift factor, as opposed to the motivations underpinning cash planning as a system, which was raised in Heseltine's April 1985 letter. Apart from disputes over specific settlements, the Treasury aimed to embed institutional norms (such as cash planning and line-by-line scrutiny) which would lead to lower defence expenditure in the long term. Relative to Heseltine, Younger proved less effective in resisting such Treasury manoeuvres.

Despite Heseltine's attempts to protect his budget, he was himself highly sceptical of NATO and American calls for higher defence expenditure. Heseltine told the German Defence Minister in January 1985 that 'he was wary of the [US] Administration's obsession with hiking up defence expenditure which he believed to be counter-productive. It would lead to ever higher expenditure on both sides and was not justified by the present risk of war particularly in Europe.' (MOD, 1985). In Heseltine, Thatcher had appointed a secretary of state who was not naturally supportive of defence expenditure and was inclined to challenge aspects of the Anglo-American military consensus. However, such feelings were not confined to Heseltine alone. By the mid-1980s, Conservative politicians believed that they had already fulfilled their obligations to NATO and were prepared to allow domestic priorities to take centre stage. Discussing planned cuts in a letter to Younger in April 1986, Norman Lamont as Minister for Defence Procurement submitted that 'I do not think that we need to be put too defensive in our dealings with NATO on this' and that 'We have an excellent record of increasing defence our defence effort since 1979 but it is only common sense to observe that this rate of increase cannot go on for ever.' (Lamont, 1986). Dated after the end of Heseltine's tenure, this reveals an unwillingness to allow NATO obligations to dictate expenditure policy. To the extent that the NATO spending target previously

imposed a constraint on defence policy, this was counteracted by ministers who refused to allow external institutions to shape their decisions.

Institutional pressure from the Treasury and NATO allies favouring cheaper options in defence procurement was countered by Heseltine's view that supporting the British defence industry should be an objective. This illustrates the significance of ministerial performance in determining the relative significance of institutions. In this instance, Heseltine's resistance to institutional constraints was more closely related to his own personal views than the ideological aims of Thatcher or the party generally. This is illustrated by Heseltine's decision, announced 28 July 1983, to order British Aerospace's ALARM system as anti-radiation missile for the Royal Air Force in preference to the less expensive and already tested HARM system developed by the United States (House of Commons, 1983a). This decision was taken despite a warning from the Treasury that British Aerospace would be unable to deliver the contract within the terms of their bid (Lawson, 1983). Concerns were not limited to the Treasury. A month before the decision on the ALARM system, Thatcher received a briefing from Mount, an economic liberal who served as head of her Policy Unit. (Mount, 1983a). Listing his objections to defence expenditure practices, Mount argued that 'All these defects are obvious in the way Michael Heseltine has presented the Harm/Alarm decision. You will not need the arguments rehearsed yet again. But there is no other area of Government expenditure where £150 million could be so easily saved and performance of the function actually improved.' (Mount, 1983a). Thus, Heseltine pushed for the British option despite doubts in Downing Street and across Whitehall. The Cabinet approved the choice of ALARM on the day of his Commons announcement, after a discussion two days before finished without a decision (Cabinet Office, 1983). Given the concerns within government over choosing ALARM over HARM as an anti-radiation missile, Heseltine's role in framing the issue (emphasising industrial policy) was pivotal. Institutional resistance is less significant when ministers are enthusiastically pursuing a policy, but ministerial efforts may not be focused on their party's ideological priorities.

5.6. Third Term

5.6.1. Ideology

A key reason why defence expenditure declined in the late 1980s was because the Conservatives attached greater importance to areas of policy central to Thatcherite domestic reforms. The place of defence within New-Right ideology did not lead to higher expenditure. The Conservative leadership weighed the ideological value they attached to defence against delivering reforms in health, education and local government, the political risk that they would be accused of under-funding domestic public services, and the danger of compromising their reputation for economic management. Table 1 of the appendix to a parliamentary briefing on defence expenditure shows a spending contraction from 4.4% of GDP in 1984-85 to 3.3% in 1989-90, with a real-terms cut of 5% in 1988-89 (Dempsey, 2018). This represented a much less favourable settlement than was granted to health, which received a real-terms increase of 3.6% in 1988-89 (Harker, 2019, p. 14). In introducing the 1989 Public Expenditure Survey to the Cabinet, Lawson emphasised that 'it was essential for political and economic reasons to retain tight control of public expenditure' and that 'Above all, the Government must retain its reputation for good economic management' (Cabinet Office, 1989b). In the ensuing discussion, it was highlighted that 'some areas of public expenditure, such as health and education, had a high political priority following the Government's reforms' (Cabinet Office, 1989b). The areas described in the cabinet meeting as enjoying 'high political priority' were domestic public services undergoing a reform programme. It was in those areas, not defence, where Thatcher's ministers were seeking to achieve major changes. Defence had insufficient priority to overcome the political imperative of protecting the Conservative 'reputation for good economic management' cited by Lawson. Defence expenditure had to be cut so the government could simultaneously safeguard its reputation for economic management while achieving reforms in health and education. In his analysis of Conservative politics under Thatcher, Bulpitt (1986, pp. 27-28) argues that Conservative politicians aimed to preserve autonomy in policy areas perceived as high politics (including defence, foreign policy and economic management) from constraints imposed by the demands of low politics (including social policy agendas). It is therefore curious that Thatcher's government focused cutting on defence expenditure in order to enable increased funding accompanying health and education reforms. Maintaining military capacity (as opposed to foreign policy) was not conceived as a core priority relative to reforming health and education. We should be cautious about using ideology to define which policy areas matter to a government.

By contrast, the role of ideology in Conservative policy-making on NATO nuclear strategy increased modestly after 1987, albeit only due to Thatcher's personal reluctance (not shared by most other senior ministers) to match policy changes by Britain's allies. Ideological considerations were always relevant to Conservative thinking (reflected in hostility to the terms of SALT II), but by the third term Thatcher was more alarmed about allied policy and more confident about voicing her concerns. Her position resulted in minor changes to NATO strategy, but the Conservatives were still forced to acquiesce in alliance initiatives that Thatcher opposed. Other senior Conservatives (in particular Howe as Foreign Secretary until July 1989) did not share Thatcher's objections. After the 1987 Intermediate-Range Nuclear Forces Treaty led to the removal of intermediate-range nuclear weapons, the government (on Thatcher's personal initiative) sought to preserve tactical nuclear weapons more generally. In her memoirs, Thatcher presents her perspective on short-range nuclear forces ideologically, recalling that 'My basic position on Short-Range Nuclear Weapons was that they were essential to NATO's strategy of flexible response.' (Thatcher, 1995a, p. 784). Thatcher recounts telling German Chancellor Helmut Kohl 'that in putting the case for SNF to his own people he should simply ask the fundamental question whether they valued their freedom.' (Thatcher, 1995a, p. 785). In his memoirs, Howe recalls that 'not least because of the steady improvement in the East-West climate, Margaret was becoming increasingly isolated in her commitment to the view that short-range (less than 500 kilometres) land-based missiles (SNF) were essential to the flexibility of NATO's defensive responses. Our own soldiers – and George Younger himself – were becoming steadily less attracted by tactical nuclear weapons of this kind.' (Howe, 1995, p. 564). Notwithstanding the deterioration in Thatcher and Howe's relations, his observations suggest that Thatcher was domestically as well as internationally isolated. Howe notes that at the May 1989 NATO Council meeting 'the divergence between the British and German views on SNF negotiations stuck out like a sore thumb', leading eventually to an American compromise whereby talks with the Soviet Union proceeded 'early' on the German timetable subject to agreements on reductions in conventional forces first (Howe, 1995, p. 565). Thatcher's support for short-range nuclear weapons was reflected in the British negotiating stance to the point that it caused gridlock. Howe's recollection is confirmed in a note before the summit by Thatcher's Foreign Affairs Private

Secretary Powell warning that 'The <u>tactics</u> of the discussion will be difficult. All other NATO members accept the principle of SNF negotiations and differences exist only on the conditions to be met before negotiations are held.' (Powell, 1989a). Britain's isolation could be regarded as reinforcing portrayals of the late-Thatcher period as more ideologically coherent (Dolowitz et al., 1996; Kerr and Marsh, 1999; Jessop, 2015). Yet it was not so much that arms control policy became more extreme (as it reflected continuity with the existing levels of western nuclear capability) or coherent (as Thatcher was decreasing British defence expenditure while complaining about Soviet conventional forces), but that Thatcher's idiosyncratic reaction to world developments failed to evolve with NATO's collective position. In voicing ideological concerns about concessions to the Soviet Union, Thatcher was (largely unsuccessfully) clinging to previous instincts rather than pushing forward a new radical agenda.

Despite Thatcher's view that a United Nations (UN) resolution authorising force was unnecessary for military action following Iraq's invasion of Kuwait, the options actually pursued by the government were pragmatic and consistent with the US approach. Thatcher vocalised ideological preferences in favour of military intervention and action without a UN mandate, but government policy was restrained by international and domestic political forces. When Douglas Hurd (as Foreign Secretary) met Thatcher on 6 September 1990, 'The Prime Minister said that she was increasingly certain that Saddam Hussein would not come out of Kuwait unless thrown out. She had reached the same conclusion about General Galtieri in the Falklands conflict' whereas Hurd 'was more inclined to see a chance that sanctions might succeed' (Powell, 1990d). Thatcher formed an early opinion that military action was needed, but Hurd took a more qualified view. Thatcher's greater determination to pursue military intervention was illustrated by her hostility to a UN resolution authorising military action, contrary to the US position. In a subsequent book, Percy Cradock, the Prime Minister's Foreign Policy Adviser, recalls that 'The Prime Minister thought [a UN resolution authorising force] was not necessary: we had the right to act in self-defence under Article 51 of the Charter of the United Nations Charter at the request of the victim, the Emir of Kuwait.' (Cradock, 1997, p. 177). Cradock adds that US Secretary of State James Baker was 'almost certainly right' in thinking differently. When Baker reported to President Bush on 10 November 1990 about Thatcher's reaction when he discussed plans for a UN resolution with her and Hurd, he noted 'In short, though she disagrees, I think she will go along, but you may have to seal the deal with her. Her advisors seem to all favor trying to obtain the specific UN authority.' (Baker, 1990). Baker anticipated that

Thatcher's view would not be the British government's final position. In his memoirs, Hurd's account of the same meeting is that he and Baker coordinated beforehand and that Thatcher relented in the meeting; he adds that 'Margaret Thatcher did not resent the fact that he and I had conspired together' (Hurd, 2004, p. 434). In his diplomatic efforts surrounding the Gulf conflict, Hurd was more closely aligned with US policy than with Thatcher's stance. This partly reflected Hurd's different ideological complexion to Thatcher, but as the responsible minister he was also reflecting the expectations of international and domestic political actors. When Hurd met with Gerald Kaufman (Shadow Foreign Secretary), UN approval was identified as the key issue determining Labour support for military action (Wall, 1990). When there was a US-led plan for achieving a UN resolution, it would have been very unusual for Britain to advocate a different course, however strongly Thatcher felt.

5.6.2. Electoral Politics

In line with the expectation that electoral considerations are more important at the end of a government's mandate, pre-election offers to minimise curbs in defence expenditure were quickly withdrawn by the Treasury after the 1987 General Election. Bolstered by the confidence of winning a third term, electoral arguments proved less persuasive. In July 1987, the Treasury official in charge of defence expenditure wrote to new Chief Secretary (Major) noting that the additional finance for defence offered by MacGregor in March 1987 (and then rejected by Younger as insufficiently generous) 'was on the understanding that after the Election the fundamental issues of balancing the programme and the budget would be addressed.' (Robson, 1987). Noting the bid for funds from Younger for the 1987 Public Expenditure Survey, Robson argued that 'Mr Younger's letter essentially builds on the offer made by your predecessor and which he refused. He is confusing an offer which was to meet a political need for a quick fix before an Election with the more systematic and complete PES process.' (Robson, 1987). Robson's letter reflects a Treasury view that higher defence expenditure could be merited 'to meet a political need for a quick fix before an Election', but that such considerations could be cast aside subsequently. By failing to agree to MacGregor's proposal prior to the election, Younger found himself confronted with a less amenable Treasury position afterwards. Two days after Robson's letter, Lawson and Major presented a memorandum on the 1987 Public Expenditure Survey to the Cabinet, with Major reporting that 'No area of expenditure could be exempt from overarching

scrutiny. The bids for education, health and defence would need to be scaled down.'
(Cabinet Office, 1987). Major opposed an MOD bid assessed by his officials as arising from a pre-election Treasury proposal. Bove, Efthyvolou and Navas (2017) argue that governments tend to spend more on social programmes and less on defence closer to national elections, with the opposite tendency further away from the elections. This tradeoff is not reflected by policy discussions in the late 1980s. Instead Treasury ministers contemplated protecting defence expenditure for electoral reasons prior to the election, but subsequently grouped defence with the remainder of the government's agenda as requiring control upon returning to office.

While electoral considerations decreased in importance with the new Parliament, they remained relevant to defence expenditure policy debates. Fiscal and administrative imperatives were the key factor shaping policy, but ministerial efforts to protect defence expenditure were rooted in their party's interests as well as concerns about military consequences. Following the 1987 General Election, Conservative advocates of defence expenditure highlighted the risks to the party's credibility. In his July 1987 letter submitting his bid for the Public Expenditure Survey, Younger argued that 'In recent PES rounds the defence budget has progressively been driven below the level run in real terms from 1985/86 implied in the programme constructed by John Nott in 1981 – a programme subsequently enhanced, for which we have taken political credit.' (Younger, 1987a). Unable to cite immediate electoral need, Younger framed defence cuts as a threat to the 'political credit' which the Conservative Party claimed as protectors of the national interest. Younger further warned that, to meet the Treasury's desired budget level, 'I see no solutions other than further cuts in programmes, which would be militarily, politically and industrially very damaging' (Younger, 1987a). While Younger may have been exaggerating, he portrayed defence cuts as a threat to the Conservatives' ability to govern effectively. Furthermore, despite her willingness to oversee large defence cuts overall, Thatcher continued to make electoral cases for spending on specific budget components. In a meeting with Tom King (who succeeded Younger as Defence Secretary in July 1989) in June 1990, she told him that cuts to the number of frigates and submarines, apart from the effects on the Royal Navy, 'would also cause political trouble and would need to be looked at again.' (Powell, 1990a). When the review paper returned to Thatcher in July 1990, Powell reported it 'still proposes a Frigate force of only 38 with a further five in reserve, rather than the 43 active frigates which you wanted to see.' (Powell, 1990b). Electoral arguments remained integral to the

case for higher defence expenditure, but they were not decisive set against an overriding agenda to achieve cuts.

Defence ministers continued to favour procurement based around collaboration between British and European firms on political grounds, although Downing Street and the Treasury were never reconciled to this. The Treasury had less institutional power over specific contracts than it did over the budget, so electoral and ideological considerations specific to defence prevailed. In March 1988, Policy Unit special adviser John O'Sullivan sent Thatcher a briefing decrying an MOD presentation favouring the European Fighter Aircraft over the American alternative Hornet 2020 as an attack aircraft for the Royal Air Force (O'Sullivan, 1988c). After describing a meeting that he and a Treasury civil servant held with US military representatives, O'Sullivan (1988c) requested an opportunity for the American option to be explored, arguing 'In purely budgetary terms, the Hornet looks very attractive. Some estimates put the long-term cost at about half of EFA's.' However, O'Sullivan acknowledged that 'There are, however, considerable political difficulties in achieving this. Briefly, on EFA, you have to steer a safe course between the Scylla of Nimrod and the Charybdis of Westland.' (O'Sullivan, 1988c). O'Sullivan was conscious that Thatcher favouring a US supplier over a British-European collaboration could be perceived as mirroring Westland. Before O'Sullivan's briefing was submitted, Charles Powell informed Thatcher: 'I would very much advise against asking for a separate briefing by the Americans. This would cause consternation in the British Aerospace industry with consequences for share prices.' (Powell, 1988). Powell's note reflected the political sensitivities from threatening contracts with British firms. When Younger informed Parliament of the decision to pursue the European Fighter Aircraft in April 1988, he argued, 'This will open up major opportunities for British industry, and I estimate that the development task alone will give direct long-term employment to between 3,000 and 4,000 people in the United Kingdom.' (House of Commons, 1988b). In another instance, Younger wrote to David Young (Trade and Industry Secretary) in August 1987 proposing 'a European wide procurement environment', intended to allow British firms to bid for European contracts equally to compensate for competitive tendering of MOD contracts (Younger, 1987b). Intervening from the Treasury, Lawson responded emphasising that 'it will be important to make clear that the aim is free competition Europe-wide and further that the arrangement will not diminish the opportunities for two-way trade on defence procurement with the United States.' (Lawson, 1987). Whereas Younger worried about the cost to British firms, Lawson desired the least expensive options. While Thatcher and

Lawson did not share their perspective, the MOD regarded defence collaboration between Britain and Europe as preferable.

5.6.3. Institutions

Faced with conflicting international and domestic pressures over the aggressiveness of Britain's response to the invasion of Kuwait, government policy was driven by the desire to maximise the impression of unity domestically and internationally. The desire for unity inclined the government to conduct military operations under terms determined by others. While Thatcher and her government favoured intervention without American influence, allied pressure was relevant to the details of British participation. In discussions over rules of engagement for British forces protecting Saudi Arabia in August 1990, the MOD advised Thatcher that they faced 'an acute dilemma' as Saudi Arabia had decided to treat any Iraqi aircraft in its airspace as hostile and the US was adhering to this policy, contrary to what was previously agreed with the US (Binstead, 1990). In response, Thatcher's Foreign Affairs Private Secretary Powell urged a speedy resolution and noted that 'If the fact of the present disagreement were to become public, it would be damaging both to us and to the multinational force.' (Powell, 1990c). The risk of adverse publicity provided an incentive to discreetly align British and allied approaches. The advice communicated to the FCO was that it was 'operationally impossible' for coalition forces to operate with different rules of engagement and that British forces would be excluded unless rules of engagement came into line (UK Ambassador Jedda, 1990). Five days later, Thatcher spoke with the Attorney General, who confirmed approval for new rules of engagement (Stacey, 1990). Unusually, Thatcher then wrote directly to the Saudi Arabian Ambassador to the United States 'to reassure you that there are no inconsistencies between our Rules and those applied by the Americans. In particular, it is not the case that we will require visual contact between our aircraft and a hostile one before permitting an engagement.' (Thatcher, 1990e). The unequivocal assurance in Thatcher's letter did not reflect the 'acute dilemma' identified in the earlier MOD briefing for Downing Street (Binstead, 1990). In order to resolve the dilemma, British policy changed to match the rules of the US and Saudi Arabia. US military doctrine represented an institutional framework to which Britain adapted.

A major factor behind unfavourable decisions for the defence budget was a perception among other institutions that existing expenditure was wasteful. Concerns about the MOD's competence in managing equipment contracts and its resource

management were prevalent at the Treasury, and shared by Thatcher and her advisers. For the Treasury, appealing to Thatcher's doubts about the MOD's effectiveness was a way of achieving its institutional objective of real-terms defence cuts. In July 1987, Lawson was copied into a note (by Butler, as Second Permanent Secretary and previously Thatcher's Principal Private Secretary) recommending that Thatcher be given a presentation using material on MOD inefficiency as this 'could, I think, impress the Prime Minister and Lord Whitelaw with the scope for MOD to solve their problems by managing their resources better.' (Butler, 1987). Lawson's Private Secretary handwrote 'Worth doing?' on the document, to which Lawson replied 'Yes'. As Butler's note implied, Downing Street was open to the interpretation advanced by the Treasury. In the same month, Thatcher held a meeting on procurement with Younger and senior MOD representatives. In the meeting, Younger requested 'additional funds', claiming that they were 'already delivering significant savings, and transferring a greater share of the risk on contracts from the MOD to industry.' (Powell, 1987). By comparison, 'The Prime Minister said that the problems in the equipment programme were even worse than she had thought.' (Powell, 1987). Significantly, Thatcher added 'the MOD could not expect the Government to save it from the effect of past mistakes by providing more money to fill the resulting in [sic] gap.' (Powell, 1987).

By 'past mistakes', Thatcher likely had in mind the cancellation of the Nimrod Airborne Early Warning System in December 1986, which Thatcher's memoirs characterised as 'a unique – and uniquely costly – lesson in how not to monitor and manage defence procurement' (Thatcher, 1995a, p. 424). This provides a key explanation for the major fall in defence expenditure in the late 1980s recorded by Dempsey (2018). In his interview, Butler (who became Cabinet Secretary in 1988 after his tenure as the Treasury's Second Permanent Secretary), recalls 'The failure of that [AWACs, the airborne radar detection system] was something which greatly incensed Margaret Thatcher. The quality of the Ministry of Defence's management became an issue.' (Butler, 2019). Butler's observation explains his July 1987 advice to Lawson to brief Thatcher on defence management (Butler, 1987). The Nimrod situation towards the end of the previous Parliament reinforced adverse perceptions of the MOD. Throughout Thatcher's third term, she remained suspicious of defence procurement and doubted the MOD's effectiveness. At a September 1990 meeting with King and senior military officers regarding whether to send Challenger 1 tanks to the Gulf, 'The Prime Minister commented that the problem of a shortage of spares did not reflect well on the management of the MOD or the Army, especially when one recalled the

vast sums of money wasted on projects like AWACs and EH101.' (Powell, 1990e). Thatcher's comments suggested that the MOD should fulfil its requirements by using its budget more efficiently. Administrative concerns inclined Thatcher to reject MOD budgetary requests and assisted the Treasury in realising falling expenditure.

Whereas Treasury ministers and officials led the drive for cuts in the 1980s, changing geopolitical circumstances by 1990 allowed Thatcher, King and the MOD to portray major reductions in capability as positive and inevitable in the 1990 Defence Review, entitled Options for Change. Externally, ministers emphasised the international climate and arms control. Internally, the government regarded financial sustainability as key. Linking fiscal decisions to international political conditions allowed the Conservatives to implement cuts without appearing to weaken defences. In a letter Thatcher sent in July 1990 separately to several allied leaders, she justified the cuts by referring to 'the radically changed military environment in Europe, including the prospect of Soviet withdrawal from Eastern Europe, and the implementation of the CFE Treaty [Treaty on Conventional Armed Forces in Europe].' (Thatcher, 1990d). This referred to mutual reductions in conventional forces under negotiation by NATO and the Warsaw Pact. Similarly, when announcing the review to Parliament, King claimed 'The "Options for Change" have identified the ways in which our forces might be restructured by the mid-1990s in the light of these developments. The pace of change will depend upon the signature and implementation of a Conventional Forces in Europe agreement' (House of Commons, 1990). Both Thatcher's letter to world leaders and King's Commons remarks exaggerated the relationship between the CFE Treaty negotiations and the review. In fact, an MOD paper discussing the proposals specifically noted that 'The proposal represents a more substantial reduction in presently planned front-line forces than can be justified merely as a response either to CFE or to changes so far in the military situation. However, public expenditure pressures, the prospects for a more benign international climate in Europe, and the need to evolve in a more coherent fashion over a number of years to a new force structure [...] argue that a step of this nature needs to be taken' (MOD, 1990). Likewise, in a written report for Thatcher in advance of his announcement in July 1990, King argued 'We are trying to do more at present than we are prepared to pay for. There are serious manpower shortages to meet our existing commitments.' (King, 1990). King also acknowledged that his proposed cuts 'would go well beyond those directly required, or justified by, a CFE agreement itself.' (King, 1990). This highlighted the mismatch between existing theoretical capability and the government's willingness to pay as the real reason for cuts. Schmidt (2014) draws a

distinction between the coordinative discourse (internal discussions amongst policy-makers) and communicative discourse (presentation of policy to the public and markets) by European institutions in the European sovereign debt crisis. The same distinction can also be seen in the difference between the external presentation of the Defence Review (the communicative discourse) and the private acknowledgement that reductions were required for fiscal sustainability (the coordinative discourse). In assessing the motivations behind the *Options for Change* proposals, we should give greater weight to the financial reasons in the MOD paper and King's report to Thatcher.

Yet even though they were used by Conservative politicians for presentational reasons, external political trends still contributed to politically enabling the decision to implement the review desired on financial grounds. When King met Thatcher in June 1990, he warned that 'in terms of personnel, the Navy would go down by 6 per cent, the RAF by 15 per cent and the army by 23 percent.' (Powell, 1990a). Thatcher raised political concerns about frigate numbers, discussed in the previous sub-section, 'But overall she thought that we could present the reductions positively as a move to a new defence posture, reflecting the new situation in Europe.' (Powell, 1990a). This reveals a conscious choice to 'present' the justification for the 1990 Defence Review as adapting to external political developments, not fiscal restructuring. It would have been harder for the government to pursue a policy based on the latter and political considerations may have prevented it. Instead, changed global circumstances allowed Thatcher to conclude that they 'could present the reductions positively'. In a contemporary academic study, Byrd (1988) noted that 'In 1988 the defence budget appears to be in need of either a massive injection of funds or a serious review of commitments. The government has rejected the first and refuses to contemplate the second.' (Byrd, 1988, p. 179). Despite being framed as part of mutual conventional force reductions, the 1990 Defence Review was essentially the 'serious review of commitments' forecast by Byrd two years prior. This was facilitated by institutionalising a discourse based on adjusting to new geopolitical realities. Policy-makers consciously used improvements in the security context in order to justify a reduction in capability pursued for fiscal and organisational reasons.

5.7. Conclusion

Decisions on defence expenditure, military intervention and nuclear strategy were significantly affected by electoral and institutional concerns. While their commitment to

national defence as the first duty of government was not intended by Conservative politicians as purely rhetorical, the influence of ideology on defence expenditure was weak and became progressively weaker throughout the Thatcher governments. This is consistent with the proposition that the significance of ideology declines with longevity in office and is partly related to experience in government. Especially after the mid-1980s, ideological support for defence did not lead to greater expenditure because there were countervailing institutional and electoral factors dictating reductions. Administrative concerns within the Treasury and the Cabinet Office about the scope for lower defence expenditure were accompanied by successful efforts to redefine the NATO target and embed new processes for scrutinising the detail of defence expenditure. The same concerns about MOD waste (particularly in procurement) were shared by Thatcher. Her meeting with Younger and MOD officials in July 1987 is instructive in highlighting the role of past experiences in shaping Thatcher's view of defence spending (Powell, 1987). Ideological arguments for defence expenditure were weaker if politicians believed it would be managed incompetently. Additionally, building military capacity did not have the same electoral appeal within government as economic management (specifically in the first term in the face of recession) or public services (in particular by third term in office when health and education reforms were pursued). This disadvantaged the MOD in negotiations with the Treasury and the Star Chamber process. The Options for Change review in July 1990 was the culmination of a mismatch between aspirations for a stronger military and the unwillingness of the Conservatives to finance those aspirations. The 1990 Defence Review could be pursued because of new institutional and political narratives justified by referring to geopolitical shifts. This supports claims in discursive institutionalist literature that policy change is more likely when the external environment is in flux and institutional discourses develop to present new developments in a way that advances previous interests and objectives (Schmidt, 2016; Neep, 2018).

Extending beyond expenditure, ideological considerations were present in other aspects of defence policy-making but did not usually determine policy outcomes. As such, similar conclusions can be drawn regarding the financial and non-financial components of defence policy. For instance, significant ministerial disagreements on ideological grounds existed during the Falklands War and the Westland affair, but the ultimate decisions were not ideologically-driven. In the discussions preceding and accompanying military intervention in the Falklands, Thatcher consented to American proposals which she fiercely opposed and the Conservative government only ceased negotiating seriously when its

electoral popularity increased as a result of military action. Similarly, senior members of Thatcher's government favoured the American approach over Thatcher's ideological opposition to a second UN resolution when responding to Iraq's invasion of Kuwait, partly because they were aware that UN support was desirable for domestic political reasons. Thatcher had little choice but to agree. Electoral and external institutional constraints proved more significant than ideology. The institutional frameworks provided by NATO and the United States were particularly vital on nuclear defence policy, both when considering Britain's own deterrent and its participation in NATO talks with the Soviet Union. Prior to the third term, Thatcher's most marked departure from American leadership on nuclear strategy came after the October 1986 Reykjavik Summit, which led her to cite electoral arguments directly to Reagan in her following meeting. The urgent needs of electoral politics proved to be significant in international affairs. The role of ideology was somewhat more relevant in Thatcher's concerns over reductions in short-range nuclear forces planned during the third term (an instance where longevity gave Thatcher confidence in diverging from a new American president), but the significance was lessened by Thatcher's (domestic and international) isolation and she was forced to accept American proposals. Across the range of defence policy, the role of ideological factors was limited by electoral and institutional constraints. Decisions by Conservative ministers broadly followed a trajectory determined by domestic and international institutional frameworks, with variations from this pattern stemming mainly from electoral politics.

Chapter 6: Conclusion

6.1. Introduction

The main purpose of this concluding chapter is to synthesise the analytical findings from the preceding empirical chapters and demonstrate the contribution made to debates on the Conservative Party under Thatcher's leadership. In the course of developing these findings, this conclusion also illustrates the contribution made to our understanding of the ideological, electoral and institutional influences on policy-making by political parties in and out of office within and beyond British politics. An additional purpose of this chapter is to evaluate whether the research methodology (particularly the emphasis on archival research and the choice of case studies) has generated useful insights which are well-grounded in the empirical evidence.

Drawing together the findings from across the three empirical chapters, this chapter argues that economic management, health care and defence represent key areas where explanations of Thatcherism based on ideology struggle to account for the trajectory of policy decisions over the period from 1975 to 1990. The abandonment of monetarism in favour of a focus on the exchange rate, the rejection of a greater role for private medicine, and the downgrading of the priority given in opposition to defence expenditure relative to domestic public services, are inconsistent with Gamble's leading 'Free Economy and the Strong State' interpretation of the Thatcher governments (Gamble, 1994). This thesis contends that institutional and electoral variables contribute significantly to explaining departures from New-Right ideology. The influence of electoral politics included a longterm aversion to radical policy change in electorally sensitive areas (especially the NHS) and the impact of the electoral cycle (before and after general elections) in delaying unpopular policies and bringing forward policies thought likely to be more popular. Yet the research also suggests that the electoral costs and benefits were judged not only by a given policy's perceived direct popularity, but by its effect on the general impression of the Conservatives' governing competence (highlighted previously by Bulpitt, 1986). Policy change, where it occurred, was usually driven by institutions rather than ideology. The role of institutions (with the important exception of the international economy as an external constraint) has been neglected in existing approaches, which have tended to be divided into ideological, political and economic explanations (Marsh, 1995). This research remedies that defect by evaluating institutions alongside ideology and elections.

Within the policy areas studied, ideological considerations were generally strongest when aligned with institutional objectives and capacities. Key institutions included relevant department/s (with the Treasury also playing a key role in health and defence policy), but also international actors by which the Conservatives anchored their credibility (including financial markets and NATO as an intergovernmental body). Theorising how institutions limit the role of ideas, Béland (2009, pp. 708-709) argues that ideational policy change is affected and limited by institutional factors, such as support from strong agenda-setting institutions, opposition from interest groups and pre-existing policy norms. By highlighting the institutional constraints facing Thatcher during her tenure as Conservative leader, this research validates and builds on Béland's contention that policy change becomes more or less likely when particular institutional conditions are fulfilled.

This conclusion has four sections. The first section argues that, while Thatcher and her close allies held and voiced ideological beliefs, Conservative thinking even within this inner group was too varied to provide a coherent set of principles applicable to policymaking. Furthermore, the research findings suggest that individual ideas were mainly invoked instrumentally to support policies selected for institutional or electoral reasons. The second section argues that institutional considerations were the most consistent factor determining policy. Institutional factors were significant in opposition and in 1979 to 1981 (alongside electoral and, to a lesser extent, ideational factors), but gained especial importance (as the foremost driver of policy relative to other considerations) after the middle of Thatcher's first term in all three policy areas studied. The third section argues that, to the extent that policy-making deviated from the trajectory dictated by institutions, this was most often due to electoral sensitivities. In particular, the third section emphasises proximity to the next election and mid-term changes in government popularity as conditions which heightened the influence of electoral factors. The final section argues that archival documents are the most reliable and comprehensive source of evidence available for asking political-science questions about elite decision-making during the Thatcher period. This section also discusses the merits of studying economic management, health care and defence.

6.2. Ideology

6.2.1. Lack of Ideological Coherence

Conservative policy-makers under Thatcher did not follow a coherent collection of principles. This led to New-Right ideology (or even ideas more loosely) exerting less influence over policy decisions than would otherwise have been the case. In the absence of a coherent ideological bias, the empirical evidence in this thesis suggests that politicians did not invoke ideas primarily for their intrinsic merit. For example, when debating whether to increase mortgage interest relief, Howe (counselled against a rise by his officials) argued it was a subsidy to current homeowners which prevented general tax reductions, whereas Thatcher referred to their belief in 'the property-owning democracy' and emphasised the necessity of policies benefiting their 'natural supporters' (Howe, 1983b; Thatcher, 1983). Thatcher's stance was subsequently reflected in Howe's (pre-election) 1983 budget (Howe, 1995, p. 281). Both Thatcher and Howe's arguments drew on neo-liberal thought, but Thatcher's (prevailing) position was rooted in the political case for rewarding Conservative voters. A year later, despite Treasury officials seeking the relief's curtailment, Lawson reluctantly acquiesced to a request from Conservative Central Office to deny plans for abolishing mortgage interest relief if asked; electoral sensitivity was again the reason, this time during a by-election (Martin, 1984; Ridley, 1984b). Each side could marshal different strands of neo-liberalism to its cause, but it was electoral factors which led the Conservatives to diverge (temporarily) from the institutional preferences of the Treasury. The range of contrasting neo-liberal arguments, used for institutional and electoral purposes, illustrates not only that ideological factors were less significant than institutions and elections, but also that there was no coherent doctrine embraced by the Conservatives.

Given the finding that the significance of ideological considerations was lessened by inconsistency between different intellectual influences, our understanding of Thatcher's leadership is not aided by treating Conservative policy-making as an ideological project. The evidence in this thesis shows that the incoherence of the Thatcherite agenda considerably reduced the causal significance of ideas. With a clash between liberal and conservative values, there was continual ambiguity over the strength of Conservative policy-makers' commitment to higher defence spending (Gilmour, 1976; Pym, 1979a; Cabinet Office, 1979; Nott, 1982b; King, 1990). Similarly, with ideational goals to both expand private medical

insurance and flatten tax rates, Conservative policy-makers were equipped with arguments for and against tax relief for citizens with private health insurance (Mockler, 1980; Howe, 1981a; O'Sullivan, 1988a; Lawson, 1992, p. 612). In economic policy, without a coherent understanding of monetarism and its relationship to other aspects of economic management, the Conservatives departed from monetary targeting when setting interest rates (Lankester, 1980; Wiggins, 1981; Peretz, 1986; Lankester, 2018). In these instances, ideas exerted little influence on the trajectory of policy, in part because the thinking and rhetoric of the New Right offered conflicting answers as to the desirability of higher defence expenditure, the propriety of tax relief for private medical insurance, and the trade-offs between fiscal and monetary easing. Without a consistent approach which allowed them to select between competing intellectual tenets, Conservative policy decisions primarily followed electoral and institutional interests.

For a thesis concerned with the relationship between ideology and policy, the association between coherence and ideological policy choices is a good reason to focus on the extent to which intellectual influences were consistent. Yee (1996, p. 102) argues for analysing how ideas cause policy choices and not ideas in isolation. Ideological coherence should be seen as a key condition for the causal role of ideas in policy formation. If the favoured beliefs of politicians are consistent across sectors of public policy, and under varied conditions, this suggests that politicians are driven by an abstract framework and that the beliefs concerned have significance separate from the political interests operating in each context (Berman, 2001, pp. 239-240). There is a stronger basis to infer that ideas have a causal role if the ideas influencing a political project are consistent and together constitute a coherent framework. As such, identifying the coherence (or incoherence) of political ideas is useful when judging the connection between ideological considerations and policy.

Although seminal ideological interpretations recognise Thatcherite incoherence, the implications of acknowledging this are insufficiently appreciated. Ideological incoherence did not merely pose problems for Thatcherites in pursuing conflicting aims, but resulted in Conservative politicians typically selecting policies for reasons other than New-Right ideology or the persuasiveness of the ideational justifications involved. The absence of coherence limited the aims as well as the achievements of Thatcher's leadership. Existing accounts stress the disjointedness of Thatcherite thought (Hall, 1983, p. 29; Hall, 1988, p. 157, Gamble, 1994, p. 211). However, while emphasising intellectual tensions, Gamble (1994, pp. 250-252) still presents Thatcherism as a hegemonic project

which aimed to restructure British society around a liberal economy and a state capable of enforcing its authority against disruptive and malign influences. Similarly, Hall (1988, p. 154) insists that, even if it did not actually establish hegemony, the Thatcherite project sought to achieve ideological hegemony across multiple domains. This thesis argues that, while Thatcher and her factional allies shared an outlook reflecting the elements described by Hall (1983; 1988) and Gamble (1994), tensions between Thatcherite beliefs often prevented Conservative politicians (including those aligned with the New Right of the party) from structuring their choice of policies around ideological aims. The incoherence of Thatcherism weakened the link between ideology and the formation of the Conservative policy programme. Whether as regards monetary strategy after 1981, their preferred model of health care, or the level of defence expenditure, Conservative policy-makers under Thatcher's leadership avoided attempting to resolve rhetorical contradictions and, partly as a result, their policy direction was based on institutional and electoral considerations. In allowing that there was no coherent set of ideas guiding Thatcher's leadership, ideological perspectives must also accept that the causal influence of ideology was diminished.

6.2.2. Instrumental Role of Ideas

Ideational arguments were usually deployed to support policies chosen for institutional and electoral reasons. The multiple perspectives within the New-Right traditions of the 1970s and 1980s were employed to provide rationalisations for a wide range of policy options considered by the Conservatives in opposition and in government. In conceiving the role of ideas in Thatcher's leadership, we could focus on the causal power of individual ideas which the Conservatives drew on, separate from the influence of New-Right ideology as a hegemonic project. Yet if we examine key figures within the party (importantly including Thatcher herself), an individual's views often contradicted other views held by that same individual. If we compare views between different politicians, even greater contrast is evident. The key question then is how Conservative policy-makers selected between different ideas. This thesis contends such choices were made for electoral and institutional reasons. Near the beginning of our period, in November 1975, the Conservatives found themselves pulled in different directions over the 1975 doctors' disputes with their instinctive sympathy for the medical profession as middle-class professionals (particularly regarding pay beds) and their general opposition to industrial action (CRD, 1975d). This

tension reflected that the New Right's rise embodied simultaneously a middle-class revolt against socialism and, on the other hand, confrontation between the state and organised labour. When the Conservatives ultimately sided with the medical profession, it was the political opportunity to attack the government which persuaded them to do so (CRD, 1975f). Neo-liberal ideas offered varied and contradictory sources of inspiration for the Conservatives' policy position, but it was wider political considerations which proved decisive in determining policy. The most significant function of ideas was instrumental.

One criticism of the argument of this thesis might be that other research (including recent work) has found a causal role for ideas in shaping the decisions of Thatcher's leadership (Dorey, 2009; Dorey, 2014; Hill and Walker, 2014; Farrall, Burke and Hay, 2015; DeVore, 2019). This work tends to infer the ideological character of a policy from its content rather than critically examining evidence of policy discussions to identify motives. By comparison, this thesis explains policy-making by studying policy motivations and not just policy content. Yee (1996, p. 72) raises doubts about inferring a causal link based on congruity between ideas and policy choices. Following Yee, we should not assume ideological causation from correlation between beliefs and policies. While demonstrating the incremental rate of change towards a more punitive criminal justice policy, Farrall, Burke and Hay (2015, p. 225) suggest that the Home Office's institutional aims (such as a lower prison population) gradually became susceptible to challenges reflecting a Thatcherite ideological agenda from the later 1980s and then the 1990s under Major. Yet Farrall, Burke and Hay's examination of criminal justice legislation in the latter half of the 1980s is predominantly based on the content of the legislation and does not include archival research (Farrall, Burke and Hay, 2015. p. 214). Their preceding discussion on legislation in the early 1980s, including the Police and Criminal Evidence Act 1984, does include documentary sources beyond statutory provisions but this analysis of the earlier period actually confirms that the Home Office's goals prevailed over ideational concerns at that point (Farrall, Burke and Hay, 2015, pp. 211-214). The finding that Thatcher's government later adopted a more punitive policy for ideological reasons rests solely on an assessment of the content of the statutes. This thesis does not study penal policy, but in the policy areas covered it examines archival evidence and, to a lesser extent, memoirs and interviews in order to identify the reasons why the Conservatives pursued a policy. This is preferable to labelling a policy based on the perceived relationship between a statute and an abstract ideological agenda.

Individual instances where ministers appear to have been influenced by a neoliberal precept should be evaluated in the context of the pattern of decision-making in the relevant policy sector. Writing on a policy area that is covered by this thesis, DeVore (2019) argues that the Thatcher administration's neo-liberal beliefs led Heseltine as Defence Secretary to establish a preference for outsourcing in military support contracts. The archival and memoir evidence in this thesis confirms that, shortly after Heseltine became Defence Secretary, there were initial tensions between the MOD and Heseltine over handling relationships with the private sector (MOD, 1983; Heseltine, 2000). Yet the influence of ideas on Heseltine in relation to a specific decision does not suggest a central role for ideology or ideas. This thesis has shown that disagreements about defence procurement before, during and after Heseltine's tenure as Defence Secretary positioned Downing Street and the Treasury against the MOD and its ministers (Omand, 1980; Lawson, 1983; Butler, 1987; Lawson, 1987; O'Sullivan, 1988c). In the period when Heseltine was reforming the MOD's commercial's processes, he was still far from a servant of the wider Conservative agenda and emphasised the strategic importance of preserving domestic production, leading to the Westland affair (Owen, 1985; Warry, 1985; Mottram, 1986). Downing Street advisers lamented Heseltine's lack of commitment to price competition and lower budgets (Mount, 1983a; Warry, 1985). This casts doubt on DeVore's portrayal of Heseltine as an agent of neo-liberalism in the defence sector. Like Farrall, Burke and Hay in relation to criminal justice, DeVore assumes a greater coherence in the thinking behind the Conservatives' approach to defence procurement than is warranted.

The evidence supports the proposition that governing party status reduces the significance of ideology. In opposition, a greater level of coherence was possible (although not fully achieved) because the Conservative leadership could select policies in a way that supported their rhetoric. By comparison, policy and rhetoric were necessarily more detached in office because politicians had to consider the consequences, both in terms of electoral politics and policy outcomes, from a given choice before making a decision. Endeavouring to explain the failure of (left-wing opposition) parties to adopt centrist positions where electorally advantageous, Sánchez-Cuenca (2004, p. 330) argues that parties may prioritise adherence to beliefs over influencing public policy. Sánchez-Cuenca's framework has merit for evaluating opposition parties, but different considerations apply for a party in office. An opposition party can commit to a policy which reflects its ideational preferences without facing all the potential consequences of implementation. For instance, in opposition, Howe as Shadow Chancellor advocated expanding defence resources in the

event of a defence review (CRD, 1975a). In office, achieving lower public expenditure led Howe to insist on significant force reductions (Howe, 1981b). As Chancellor, Howe found it easier to attain his fiscal objectives by limiting defence expenditure than by cutting public services, whereas the party's policy choices in opposition encompassed higher defence expenditure and general fiscal restraint without facing the political consequences of cutting public services. In office, a gap emerged between policy decisions and rhetoric. Parties make different choices when they are subject to greater institutional pressure and are faced with the political consequences of their decisions being implemented.

From the above argument, it follows that governing parties are unable to mainly base public policy based on the predominant opinions within their party or base of electoral support. Yet this does not mean that parties abandon appeals to ideational positions in their public messaging. Mair (2013) points to a decline in both the representative function of political parties and the adversarial character of politics caused by the focus of party elites on the process of governing. The research findings support Mair's central argument about the declining representativeness of party politics, but this thesis also draws attention to the gap between rhetoric and policy reality. A common argument is that adversarial politics strengthened under Thatcher (Holmes, 1989; Kavanagh, 1990; Smith, 2015). This thesis does not challenge the argument that the rhetorical style of politics became more adversarial, but highlights that there was still only a limited role for party ideology (understood as a coherent body of ideas) in influencing policy. The case studies show that strongly-held beliefs continued to be expressed by the Thatcher governments throughout the 1980s, but the direction of public policy was largely unaffected. By 1986, a Treasury memorandum acknowledged that 'We could abandon formal monetary targets altogether' but acknowledged 'severe presentational disadvantages' as the chief argument against doing so (Peretz, 1986). Monetarist ideas were less influential in determining the content of policy, but the Conservatives felt it politically necessary to retain their public attachment to controlling the money supply. This distinction between arguments and beliefs suggests that there may be merit in the concept of political argument hegemony presented by the statecraft approach of Bulpitt (1986, p. 21-22) in his analysis of Thatcher's first term. The proposition that party rhetoric is driven by the desire to be perceived as winning political debate, rather than policy intentions, deserves greater consideration. The extent to which political debate is confrontational should not be regarded as tied to whether policy is driven by ideology.

By illustrating that the input of Conservative members and activists in policymaking did not primarily consist of demands for a more ideological approach, this thesis challenges scholarship which links ideological considerations and party members. Far from party members pushing parliamentarians to implement an ideological project or even theoretical ideas taken individually, the influence of Conservative members on policy was limited. Moreover, members' priorities should be distinguished from the ideational concerns of New-Right intellectuals and politicians. Strom (1990, pp. 575-579) suggests that parties' organisational structure, and particularly the role of party activists, determines the balance between policy-seeking and office-seeking behaviour. In many studies, party activists and members are portrayed as more ideological than politicians and voters (May, 1973; Whiteley, Seyd and Billinghurst, 2006; Enos and Hersh, 2015). A distinct position is that party members are concerned about gaining or retaining power (Norris, 1995; Bale and Webb, 2013; Bale and Webb, 2016). In the case of Thatcher's leadership, this thesis argues that the latter interpretation is more plausible. The role of party members is examined not through surveys, but through archival data showing their influence (or lack of influence) on policy. Plans to introduce or extend charges for NHS services (a key plank in programmes to increase the role of private medicine) met with opposition within the Conservative grassroots, owing to a perception that it would be financially costly for people like them (Mockler, 1977; Conaway, 1985; Purcell, 1985). Similarly, despite a dogmatic monetarist strategy from 1979 to 1981, Conservative members were unenthused (Cropper, 1980a; Cropper, 1980b; Smith, 1981). Even in defence, as Thatcher moved towards the right on military expenditure and international arms control, Conservative members' questions focused on pay and welfare of military personnel (CRD, 1977). Conservative members were concerned about electoral politics and the material interests of groups that they sympathised with. Policies related to neo-liberal or neo-conservative beliefs, such as charging for hospital visits and departing from the NATO line on arms reductions respectively, were favoured by elites and not members. Insofar as the concerns of party members reached the policy-making process at all, their contributions were not a structural force pressing for the adoption of more radical policies.

6.3. Institutions

Particularly after 1981, the direction of travel in Conservative policy-making from 1975 to 1990 was principally determined by institutional considerations. Key institutional factors

included the long-term policy biases and interests of the Cabinet Office and the Treasury (in all policy areas studied), international economic constraints (especially in relation to economic management), and external diplomacy and the expectations of NATO (in relation to defence policy). In challenging some parts of the state (including spending departments), the Conservatives were not only allied with other bureaucratic actors but followed the policy trajectories set by them. To the extent that Conservative policy became more coherent, this was a result not of their own ideological consolidation but because Conservative politicians adapted to institutional agendas and the demands of governing. For instance, after committing in opposition to more resources for defence, Thatcher's approach in office to managing defence expenditure (coupling short-term increases with minimising and ultimately withdrawing special priority for the defence budget) reflected a strategy advanced by her first two cabinet secretaries (Hunt, 1979; Armstrong, 1981b). Similarly, the drive for performance management in the NHS was a policy which Treasury officials sought to impose on DHSS officials during Thatcher's first term (Bailey, 1981). Agenda-setting efforts by institutional actors, pursued during the economic and political crisis of the early 1980s, set the tempo for subsequent incremental changes in the lead up to the later 1980s. In the case of economic policy, after commitment to monetarist theory initially led the Conservatives to design the MTFS without regard to the exchange rate, the Conservatives from late 1980 began to set interest rates based on the implications for the exchange rate and its consequences for output and inflation (Lankester, 1980; Wass, 1980; Howe, 1983a; Norgrove, 1986; HM Treasury, 1988d). An emphasis on the relationship between the exchange rate and the wider economy was the very point which Treasury officials tried to impress on the Conservatives in 1979 (Lawson, 1992, pp. 60-61). In each of these examples, the long-term policy trajectory pursued over the remainder of the 1980s reflected the Treasury and the Cabinet Office's institutional preferences more than a commitment to New-Right ideology. This thesis contends that that the evolution of Thatcherite policy-making was based on institutional rather than ideological factors, contradicting the view that the Thatcher governments became more ideologically coherent over time (Kerr and Marsh, 1999).

In finding that the significance of institutional considerations increased over time, after a period of instability during 1979 to 1981 (from which institutional concerns ultimately prevailed), the empirical narrative advanced in this thesis is consistent with historical institutionalist theory emphasising path dependence. Archival research reveals evidence for the Treasury successfully advocating measures which strengthened its control

over underlying policy decisions as well as spending levels, in relation to both health and defence (Bailey, 1981; Howe, 1982b; Butler, 1987; Lawson, 1987; HM Treasury, 1988b). This supports the argument that institutions promote the adoption and continuation of policies which are associated with their own institutional success (Hall, 1989, p. 11; Pierson, 1995, p. 177; Wood, 2001, pp. 268-272; Pierson, 2004, p. 150). Additionally, the importance of the early 1980s economic crisis in strengthening institutional considerations confirms discursive institutionalist literature arguing that crises can establish and elevate institutional norms (Hay, 1996; Schmidt, 2016; Neep, 2018). Conversely, the finding that institutions were pivotal to policy-making contradicts accounts which see the Thatcher years as a period where ideological beliefs undermined pre-existing institutional norms. Citing the example of the Thatcher governments to suggest that historical institutionalism is flawed, Peters (2009, p. 68) suggests that organisational reform and restructuring do not reflect the institutional stability predicted by historical institutionalism. It is true that Thatcher's administration interfered with existing administrative structures. For instance, in opposition, the Conservatives decided to abolish area health authorities to leave district health authorities as a single tier of management (Mockler, 1978). By the late 1980s, a major motivation for introducing the internal market was challenging district health authorities as well, now dismissed as 'vested interests' (O'Sullivan, 1988b). However, in identifying and evaluating institutional considerations, it is important not to treat institutions as a monolith. The reason why Thatcher's adviser O'Sullivan presented a paper attacking district health authorities was because they were agitating for higher expenditure. This was also part of why the Treasury pressed for the introduction of the internal market (HM Treasury, 1988b). The institutions closest to the core executive can be distinguished from other institutions involved in delivering policies. The reforms pursued by the Thatcher governments may have been significant in some areas, but this thesis argues that these reforms reflected and fulfilled the long-standing interests of the Treasury and the Cabinet Office. A high degree of institutional change at the lower levels of government does not render institutional considerations any less significant when policy is made from the centre.

In understanding the role of bureaucratic institutions in Conservative policy-making under Thatcher, it is important to consider the decisions made by institutional actors in furtherance of their objectives. A narrow focus on where power is located does not account for all institutional considerations affecting policy. In a study confined to Thatcher's first term, Walsh (2000) identifies the level of electoral support and the concentration of power

in central political institutions as key conditions determining the significance of ideology. Walsh (2000, p. 489, pp. 511-512) argues that monetarist ideas were enacted due to enjoying both strong electoral support and a concentration of political power, whereas local government reforms did not advance as authority was more dispersed (despite possessing popular political support) and reforms to health finance were rejected due to electoral downsides (despite concentration of political authority). Empirically, Walsh's interpretation does not reflect the drivers of monetary policy during Thatcher's first term, which in 1981 shifted decisively away from adherence to a monetarist framework. On a theoretical level, Walsh errs in limiting his analysis of the institutional landscape to the extent to which political authority is concentrated in the centre. Walsh (2000, p. 502) notes health ministers faced competing institutional pressures from the Treasury and their department, but emphasises the obedience of ministers to policy-makers at Downing Street and the Treasury. This has merit as a general rule, but the Prime Minister and Treasury ministers were also constrained by institutional norms. Conversely, departmental ministers retained the capacity to resist policy change driven by Downing Street and the Treasury. Chapter 4 of this thesis has shown the pivotal role played by secretaries of state in resisting NHS reform (Fowler) and shaping it in a different direction to that Thatcher preferred (Clarke). Even if power is located within the core executive, the power of the centre is conditioned by both the evolution of policy norms and the agency of individual actors (ministerial performance).

Interpretations focused on politics as well as ideology can be faulted for failing to appreciate the institutional context in which policy is made. Fear of electoral defeat was at times a powerful incentive behind both temporary and long-lasting shifts in policy, but the selection of policies depended on their acceptability and feasibility when set against the objectives of government departments and the degree of political trust in them. Prior to the 1987 General Election, at a point when the electoral cycle was most acute, the Treasury noted that the Defence Secretary George Younger 'got surprisingly little sympathy from' Thatcher when seeking additional funding for defence on political grounds (Robson, 1987). This related to Thatcher's concern about the 'huge waste which had been incurred in the procurement of a range of weapons' (Norgrove, 1987a). Despite building a case from an electoral perspective, the MOD was denied additional expenditure because Thatcher did not trust them to manage it effectively and so declined to interfere with the long-standing Treasury efforts to curtail defence expenditure. Bulpitt's statecraft interpretation rightly identifies governing competence as a Conservative electoral objective (Bulpitt, 1986). Yet

Bulpitt (1986, p. 22) goes too far in treating governing competence as a political judgement regarding the feasibility of policy implementation and aversion to electoral risk from policy failures. Perceptions of policy feasibility are also significantly shaped by wider contexts, including the interests, norms and capacities of institutional actors charged with implementing policies. By focusing only on the agency of politicians, Bulpitt (1986) gives insufficient attention to the role of institutions in determining what constitutes competent government in the eyes of policy-makers. By comparison, Marsh and Rhodes (1992a) are sensitive to the role of institutions in creating a gap between policy choices and policy outcomes, but focus on how institutions shape the likelihood of successful implementation, rather than whether policies were initially selected or avoided based on institutional interests. This reflects a misplaced assumption that policy was chiefly driven by ideological motivations and the main effect of institutions was on implementation. Institutional factors should be regarded as central to the selection of Conservative policies as well as policy success and failure.

This thesis finds strong empirical evidence showing the role of international institutions (including international economic forces as well as formal international organisations and diplomatic actors) in shaping policy-making, often in tandem with domestic bureaucratic institutions. Notably, Thatcher overrode her own ideational preferences favouring armed conflict when offering several compromise solutions to the Argentinean government at the insistence of the United States in the lead up to the Falklands War (Thatcher, 1982a; Henderson, 1982; Thatcher, 1982b). The context here was not international capitalist crisis, but the Cold War. Thatcher needed to reconcile her own domestic political and ideational concerns with the strategic interests of the United States and NATO. Similarly, in a memorandum for the Cabinet before the February 1983 Budget, Howe observed that 'Sterling's recent fall makes relaxation of fiscal and monetary conditions less justifiable to the markets' (Howe, 1983a). As in previous eras, the Treasury judged that 'the markets' were the key audience who must be content with monetary policy decisions. Thus, maintaining credibility with international financial markets overrode political or ideational objectives for the domestic economy. Yet international pressures were mediated through the preferences of domestic actors who attached some (but not unlimited) importance to international institutions.

Furthermore, international developments were presented as justification for enacting policies which fulfilled domestic institutional agendas. In justifying the force reductions contained in the July 1990 Defence Review to international leaders, Thatcher

cited 'the radically changed military environment in Europe, including the prospect of Soviet withdrawal from Eastern Europe, and the implementation of the CFE Treaty.' (Thatcher, 1990d). Yet the MOD paper proposing the force reductions acknowledged that they went further than 'can be justified merely as a response either to CFE or to changes so far in the military situation.' (MOD, 1990). International changes represented a convenient pretext for fulfilling the long-standing Treasury objective to reduce the share of resources allocated to defence. Clarke (1988, pp. 349-351) presents Thatcherism as offering an ideological narrative which justified restructuring the British state in a way that responded to changes in the world economy. The example of the 1990 Defence Review shows that international developments could equally offer a rhetorical explanation for changes driven by the underlying preferences of domestic actors. International forces shaped decision-making, but did so through domestic institutions with their own aims and were sometimes subordinated to domestic objectives.

In suggesting that the ideological coherence of Thatcherite Conservatism increased over the course of the 1980s, the class-based perspective developed by Jessop et al. (1988) and Jessop (2015) overlooks the role of state institutions in policy development. Far from the intellectual influences on Thatcher's leadership crystallising into a more discrete set of ideas by the late-Thatcher period, they continued to lack coherence and had little influence on policy-making. Jessop et al. (1988) has merit in challenging the ideological conception of Thatcherism put forward by Hall (1983), but is misconceived in suggesting that Thatcherism became more coherent over time. Pointing to the creation of a new bloc comprising the beneficiaries of rising inequality, financial liberalisation and the privatisation programme, Jessop et al. (1988, pp. 171-180) argues that the second and third Thatcher governments developed a more radical programme in service of this power bloc. Insofar as the policy areas in this thesis are concerned, there is minimal evidence that ideological considerations increased in tandem with the socioeconomic changes identified by Jessop et al. In NHS policy, ideas to expand private finance (from hospital charges to private medical vouchers) were discussed among Thatcherite ideologues in opposition, in the first term and prior to the third-term NHS reforms, but actually received greater consideration from politicians (as opposed to advisers) in opposition and were never adopted (Mockler, 1975; Mount, 1982a; Redwood, 1987; Willetts, 1988). Moreover, economic policy was most radical and freest from institutional constraints in 1979 to 1980, when Howe persisted with expenditure cuts and monetary tightening against the advice of Treasury officials and Biffen as Chief Secretary (Taylor, 1979; Biffen, 1980a; Lankester, 2018). To the extent that policy (as

distinct from ideas) became more coherent by the later 1980s, it was because decision-making became institutionalised (as it was more firmly tied to international constraints and domestic bureaucratic actors), rather than social shifts leading to the emergence of a new bolder agenda. The context of changes in class structure did not lead to greater radicalism.

While affirming that the institutional context is more significant for parties in government (and largely increases in significance over time in office), this thesis highlights a case where institutional considerations shaped policy-making in opposition. Literature on opposition parties has focused on the function of the leading opposition party in scrutinising and undermining the incumbent government and the electoral motivations underpinning this function (Kaiser, 2008; Norton, 2008; Williams, 2014; So, 2018). Consistent with this literature, this thesis has discussed examples where Thatcher's Conservatives criticised the Labour government for a combination of electoral and ideational reasons (such as when opposing defence expenditure cuts and supporting the medical profession in the 1975 disputes). However, the Conservatives in opposition also developed and modified policies to manage or accommodate the institutions that they expected to encounter upon returning to office. Having only left office in February 1974 and with high expectations of returning to government at the next election, the Conservatives could not afford to ignore institutional constraints in preparing a programme for governing. Concern about the reaction of the Treasury and the Bank of England to their economic programme led the Conservatives to select policies (such as independent economic advice) which would create a more favourable institutional framework once they entered office and allow them to counteract scepticism among existing officials (Lawson, 1978; Ridley, 1978; Lawson, 1992, p. 51). Similarly, the Conservatives planned a reorganisation of local health care management (abolishing area health authorities) in order to reduce the institutional power of their opponents in local authorities and reassert the authority of central government (Mockler, 1978). Yet the Conservatives did not only select policies in hopes of improving their level of institutional control, but also preferred or disfavoured policies based on their compatibility with institutional norms. For instance, the Conservatives demonstrated their commitment to responsible and depoliticised management of health care by signalling deference to the Royal Commission on the NHS (House of Commons, 1978c). In defence policy, the potential for disagreement with NATO and the United States led Thatcher to amend her stance on international arms control agreements (NSC, 1979). Anticipating the interests of domestic and international institutions once they entered office shaped the formation of policy in opposition. In

accounts which argue that governments determine their policy programme to maintain the electoral coalition necessary to retain power, we find the converse argument that oppositions in democracies make policy in order to win the support necessary to take power (Downs, 1957, pp. 55-62; Bueno de Mesquita and Smith, 2011, pp. 80-81). The case of Thatcher's leadership from 1975 to 1979 suggests that oppositions which have recently been ejected from government (but also expect to be in power again soon) give weight to some of the same institutional considerations as governing parties.

6.4. Electoral Politics

In most aspects of the policy areas studied, even in instances where Conservative policymaking diverged from long-term institutional preferences, the reasons for these deviations were related to electoral politics and institutional responses to political challenges more than ideas. Anticipated electoral consequences were the main reason why the Conservatives departed from long-term institutional trends when setting policy. Stedman Jones (2012, pp. 330-331) suggests that neo-liberal actors in Britain and the United States used the right's electoral success in the 1980s to implement a policy agenda based on free markets. Challenging Stedman Jones, this thesis suggests that winning elections was more closely connected to policy-making than ideology even if new-right ideology is defined as just neo-liberal, rather than neo-liberal and neo-conservative as in the balanced approach of Gamble (1994; 2012). Winning elections was an integral goal of Conservative decisionmaking rather than merely a precursor to an independent agenda pursued by neo-liberal intellectuals uninterested in electoral politics. On the basis of policy content, the reforms proposed in the January 1989 White Paper Working for Patients represented a significant advance on what came before (Department of Health, 1989). Yet this thesis has dismissed ideology as the main reason why the Conservatives chose reform at this point, highlighting instead the need for a Conservative response to a political crisis over health finance and the Treasury's role in crafting that response (Norgrove, 1987d). More radical solutions based around private medicine were proposed, yet left unpursued (Redwood, 1987; O'Sullivan, 1988a; Willetts, 1988). The need for a change from the pre-existing policy trend arose from the political need for a response to demands for higher spending (Thatcher, 1995a, p. 606). The policy shift was shaped by the same institutional actors who influenced the previous course (HM Treasury 1988b; HM Treasury, 1988c). In the late 1980s, monetary policy was being pulled in different directions, because Thatcher and the Bank of England were both

hostile to Lawson and the Treasury's institutional preference for an exchange rate target. This dispute was temporarily allayed in May 1988 when politics led Thatcher to approve a rate cut which went against the logic of her opposition to linking interest rates with the exchange rate (Downing Street, 1988). Electoral interests briefly abated tensions resulting from conflicting institutional objectives. Institutional considerations drove the trend in which policy moved and structured policy debates, but electoral factors led to politicians occasionally breaking from institutional concerns.

There is strong evidence that the electoral cycle influenced policy-making across all three policy areas. This finding illustrates and refines a substantial body of public choice economics literature arguing for the existence of political budget cycles shaping taxation, public expenditure, borrowing and social redistribution (Nordhaus, 1975; Rogoff, 1990; Alesina, Cohen and Roubini, 1997; Klomp and De Haan, 2011; Katsimi and Sarantides, 2012; Dubois, 2016). Whereas existing scholarship is based on quantitative changes in macroeconomic variables, this thesis illustrates electoral motivations in specific decisions based on archival evidence. When they anticipated the next general election was near, the Conservatives promoted policies which they perceived as popular and avoided unpopular policies. Archival evidence confirms that electoral motivations were behind the shift towards a more explicit commitment to tax cuts and higher defence spending before the expected general election that never came in 1978, decisions to increase NHS spending taken before both the 1983 and 1987 General Elections, a 2p cut in the basic rate of income tax in the 1987 Budget, and a Treasury offer to treat defence spending more favourably before the 1987 General Election which was quickly withdrawn afterwards (CRD, 1978c; Fowler, 1983; Wicks, 1986c; Conservative Party, 1986b, pp. 9-10; Robson, 1987). At the beginning of an electoral cycle, the role of electoral considerations was diminished, although not entirely absent. Indeed, sometimes the Conservatives saw political virtue in demonstrably pursuing their stated promises shortly after an election. In the post-election 1988 Budget, alongside a more politically risky policy (a large cut in the higher rate of income tax) as one would expect, Lawson pointedly fulfilled a pledge for a 25p basic rate of income tax (House of Commons, 1988a; Lawson, 1988b). This illustrates that the effect of the electoral cycle cannot be measured solely through changes in quantitative variables. At face value, lowering the basic rate of income tax is a vote-seeking policy which one would expect to see at the end of a parliamentary term. Yet Lawson judged (rightly or wrongly) that it was politically beneficial to visibly uphold the pledge at the start of the electoral cycle. Governments are more willing to pursue potentially divisive policies (such as cutting

the higher rate) at the start of an electoral mandate, but they may also pursue popular policies to validate their manifesto pledges.

In affirming the proposition that the significance of electoral considerations increases following a mid-term fall in popularity, this thesis challenges literature suggesting that governments in western democracies have become less responsive. The evidence regarding the Conservatives in the 1980s suggests that majority single-party governments (at least in parliamentary systems such as Britain) may retreat from unpopular policies, especially in the second half of their term. Even if they do not retreat wholesale from the policies they have already selected, they will become more sensitive to electoral factors in the implementation of these policies and in the selection of related policies. This challenges literature suggesting that politicians rarely 'pander' to public opinion or respond to unpopularity (Jacobs and Shapiro, 2000; Canes-Wrone and Shotts, 2004, pp. 698-700). The detachment of political parties from their social core and ideological constraints does not mean that they cease paying attention to securing and retaining office. Where a sitting government is unpopular, this increases the salience of electoral politics in policy-making. For the Conservatives in the 1980s, responsiveness to political conditions increased once the halfway point in a Parliament was crossed, but difficult political circumstances also made ministers more attuned to electoral considerations earlier in the electoral cycle. Chapter 3 of this thesis illustrates that the economic and political pressure from maintaining a tight monetary policy contributed to a reversal in the government's macroeconomic strategy in late 1980 and early 1981 (relatively early, at two to three years from when the next election was called). In June 1990, Thatcher attempted to delay enacting the NHS internal market reforms for fear that they would provoke hostility, with only Clarke's opposition and the prospect of his resignation persuading Thatcher to persist with the Conservatives' most ambitious reforms to the NHS (Potter, 1990d; Clarke, 2016, p. 211). Conversely, in opposition, this thesis argues that the Conservatives became more cautious in late 1977 and 1978 when the Callaghan government was perceived to be succeeding and political conditions became less favourable, again also with the next election nearing. A sharp distinction cannot be drawn between the effects of popularity and the closeness of the next election. Parties become more sensitive to public opinion as the next election nears, although may modify policies earlier if they perceive major effects on their popularity (as in the case of economic crisis in 1980 to 1981).

In making policy choices which served their electoral interests, Conservative politicians did not always favour options which materially benefited their electoral coalition

and did not always adopt the positions which were closest to public opinion on a specific issue. In maintaining their popularity, the Conservatives were concerned about being perceived as in command of policy debates and their overall credibility as managers of the state, compared to their Labour opponents. Focusing on Conservative economic policy up to the end of Thatcher's first term, Bulpitt (1986, pp. 21-23) contends that seeking political argument hegemony and governing competence, among other dimensions of statecraft, shaped Conservative decisions. This thesis affirms that these aims shaped policy-making, including outside of economic policy and in the later stages of Thatcher's leadership, particularly when the Conservatives felt that their political success was imperilled. For instance, when faced with growing public concern about Trident in the mid-1980s, the Conservatives responded by placing greater emphasis on preserving an independent deterrent, including in arms control negotiations, seeking to discredit alternatives to Trident (Owen, 1985). This did not merely reflect an ideational preference for Trident, but also a conviction that moving away from nuclear deterrence would be politically harmful. At the October 1986 Reykjavik Summit, after Reagan notionally committed to ending ballistic missiles within a decade, Thatcher's speaking note included a warning for Reagan about 'the effect of your proposal on pro-American governments in Europe and particularly in the UK.' (Powell, 1986). In shaping rather than following public opinion, the Conservatives wished to maintain the perception that an independent nuclear deterrent was a necessity and were annoyed by Reagan undermining that argument. When frontbench Conservative politicians aimed to satisfy their party's electoral interests through policy decisions, they did not just select those policies designed to improve the material well-being of voters. This validates literature suggesting that political leaders motivated by political self-interest do not always seek to maximise public happiness (Bueno de Mesquita et al., 2003; Elmelund-Praestekaer and Emmenegger, 2013).

6.5. Research Methodology

Far from inherently disadvantaging ideological motivations, the use of archival evidence provided significant scope for identifying ideological as well as electoral and institutional motivations behind policy decisions. Chapter 2 argued that utilising the extensive body of archival evidence available about the Conservative Party under Thatcher's leadership was the best research methodology for fulfilling the aims of this research. The experience of undertaking the research bears this out. In assessing the archival evidence, it was

important to be sensitive to the possibility that the evidence might provide a distorted or misleading picture. In particular, postmodernist, feminist and postcolonialist scholars have voiced concerns that archives are partial, institutionally biased collections which artificially constrain fields of study and lead to unrepresentative findings (Derrida, 1996; Ernst, 1999; Manoff, 2004; Shepard, 2010; Cooper, 2016). For this thesis, to the extent that the type of evidence favoured any one type of explanation, the bias was towards ideology. In official documents, politicians, their advisers and officials are instinctively more willing to justify policy decisions on policy-seeking grounds than with reference to vote-seeking concerns or the interests of institutions. Nonetheless, official records (when taken in combination) are still revealing of institutional culture and some instances where decisions were politically motivated. For instance, a note from Wicks (1986), a civil servant serving as Thatcher's Principal Private Secretary, proposes increasing private health care provision as a means of achieving lower government expenditure. An official justification for policy cannot emphasise the interests of a political party. Equally, this document should be judged alongside separate notes by Ingham as Thatcher's press secretary and Willetts as a special adviser showing that electoral concerns were the root of the reform discussions (Ingham, 1986; Willetts, 1986). The note from Wicks to Thatcher also includes evidence of electoral considerations (such as a reference to the timing of the next election) but these aspects are less significant unless we view the note in the context of the other pieces of evidence. Archival documents reflect the tendency to justify policies in terms of the public good, so fairly reflect the ideational beliefs associated with public policy. At the same time, where electoral or institutional considerations were more significant, there can be revealing snippets within larger proposals or additional documents complementing the core justifications grounded in ideological terms.

A research design which gave greater emphasis to elite interviews would have been a reasonable alternative methodology. However, while both interview and archival sources have the advantage of providing insights into the thinking of politicians and officials out of the public eye, elite interviews are a less comprehensive source of evidence. They are more dependent on the perspective which the subject wishes to advance as well as their memory of events of three decades ago. This was evident from the interviews that were conducted. For example, when questioned about policy discussions in which they were active participants and notes they had written in the 1980s, interviewees struggled to recall the details. In July 1986, Butler authored a memorandum referring to 'a political climate in which cuts will be hard to achieve' in relation to defence expenditure (Butler, 1986a).

Asked to explain his reasoning, Butler (2019) observed, 'I am rather surprised by that because, when Heseltine went, he was a big and forceful minister. George Younger [who succeeded Heseltine as Defence Secretary in 1986] was a very much more amenable person.' Similarly, when questioned about his role in an agreement to allow the Treasury to examine defence expenditure, reached with MOD Permanent Secretary Clive Whitmore, Butler (2019) explained, 'I have forgotten that. I don't recall being particularly credited with that. The size of the budget had been really dictated by the NATO target. [...] My relations with Clive Whitmore were good, so it is possible that there was a specific agreement between us.' Lawson's memoirs specifically credit Butler and Whitmore with negotiating this 'concordat' (Lawson, 1992, pp. 313-314). In another example, Sherbourne (1986) sent a minute to Thatcher in April 1986 warning about the political impact of US bombings in Libya. When asked about this, Sherbourne answered, 'No, I cannot remember the minute at all.' (Sherbourne, 2018). Lankester (2018) and Jopling (2019) also had difficulties recalling documents and the matters recorded within them. As such, rather than conducting additional interviews, this thesis was better served by combining general insights from the interviews conducted with the wealth of archival evidence about specific policy discussions.

Lilleker (2003, pp. 207-208) argues that interviews have the potential to offer insights about the private thoughts and actions of political elites which are unlikely to be captured by state archives and other forms of documentary evidence. While government documents generally present policy decisions by politicians and officials without reference to political interests, the same is truer of interview evidence. Asked about his intervention for higher defence expenditure as Chief Whip in 1982, Jopling (2019) recalled, 'it was never my role to be involved in between a minister and the Treasury. I might have made off-stage remarks about it to various protagonists over the spending round, but I was never involved formally in it at all, though I was aware of what was going on'. Documentation reflects Jopling's answer but provides additional detail on the arguments made informally. In Jopling's memorandum to Thatcher during a dispute between Nott and Howe, Jopling cautioned about the political risks of the Treasury's proposal and expressly stated that 'My principle [sic] concern is not with the merits of the arguments but rather with the effects on the Party both in the House and the Country generally.' (Jopling, 1982a). No interviewee's recollections are likely to contain this level of specificity about partisan motivations in retrospect, especially as time elapses. For a project which needs to assess

ideological, electoral and institutional considerations, archival documents are superior to interviews and the balance of the research undertaken reflected this.

An alternative set of policy areas may have resulted in different conclusions, but the policy areas selected represent important aspects of public policy where decisionmaking does not accord with existing general accounts of the Thatcher governments. Previous scholarship has found some of the strongest evidence for the role of ideational influences in areas directly pertaining to private property ownership and confrontation with the labour movement (Field, 1997; Dorey, 2009; Parker, 2009; Murie, 2014; Rawsthorne, 2018; Steber, 2018). Indeed, even in arguing that Conservatives from 1979 to 1996 failed to influence the formation of public opinion, Crewe (1996, p. 408) still credits Thatcher's policies with transforming British society and argues that the chief motivation behind Thatcher's project was ideological (with secondary electoral objectives). The main policies that Crewe discusses include the privatisation programme, employment legislation curtailing the rights of trade unions and the sale of council houses (Crewe, 1996, pp. 407-410). Possibly Crewe may be right to emphasise political ideas as a key factor behind Thatcher's support for property ownership and antipathy to trade unions, but large parts of public policy were more distant from Thatcher's property-owning agenda than the policies discussed by Crewe.

In focusing on policy areas where the role of ideational factors was relatively weaker on the face of it, this thesis's research design might be criticised for foreordaining the argument that Conservatives were not as ideological as suggested by Hall (1983) and Gamble (1994). However, whether they emphasise the transformational or evolutionary character of Thatcherism, existing accounts suggest that Thatcher's leadership ultimately aimed to achieve an ideological end state across the breadth of state policy (Holmes, 1989; Kavanagh, 1990; Adonis, 1994; Moon, 1994; Kerr and Marsh, 1999; Smith, 2015). There is little recognition that Conservative policy-makers under Thatcher did not make decisions through an ideological lens in relation to major sectors of public policy (including defence and foreign policy, public services and core aspects of economic management). Given the implication that all or most policy areas were driven by ideology, the policy areas studied (extending beyond those where existing research has illustrated a role for ideational factors) are appropriate choices for revising our general understanding of Conservative policy-making under Thatcher's leadership.

6.6. Conclusion

Utilising an extensive body of archival evidence, this thesis interprets the Conservatives under Thatcher's leadership as a party which, subject to steps taken to ensure its own political survival by winning and retaining power, largely governed in accord with the interests and culture of key domestic and international institutions. At the domestic level, these institutions were the Cabinet Office and most particularly the Treasury, which was a powerful actor in shaping the content of health care and defence policy as well as economic management. At the international level, institutional constraints included the desires of financial markets (in the context of economic management) and the Western alliance embodied by NATO and led by the United States (in the context of defence policy). Insofar as the making of public policy was concerned, there was no coherent ideological agenda so much as contradictory streams of beliefs, genuinely held but left unimplemented except where they were in alignment with electoral or institutional interests. Conservative politicians, and the actors influencing them, mainly invoked ideational beliefs for instrumental purposes both in their public rhetoric and in internal policy-making discussions.

In advancing the above interpretation, this thesis makes significant interventions in relation to both existing understandings of the Thatcher period in British politics and the general question of how ideological, electoral and institutional considerations can explain policy choices by party politicians. With regard to British politics in the late 1970s and 1980s, this chapter has illustrated the difficulties faced by the accounts of Hall (1983; 1988) and Gamble (1994) in claiming that New-Right ideology influenced the aims of Thatcher's leadership. By acknowledging Thatcherite ideological incoherence while associating Thatcher's political project with ideological objectives, Hall (1983; 1988) and Gamble (1994) overlook that tensions within Thatcherism limited the causal connection between ideology and policy. Without a consistent set of ideological influences, institutional or electoral considerations usually prevailed in Conservative policy formation. More recent work points to the prevalence of different variants of Thatcherism and neo-liberalism, but does not address the implications of this variation for assessing the significance of ideology in Conservative policy-making (Jackson and Saunders, 2012; Jackson, 2016; Davies, Freeman and Pemberton, 2018). This thesis also challenges literature where it is argued either that Thatcher's leadership constituted an ideological project from the outset or that the Conservatives evolved towards a more ideological approach over time (Moon 1994;

Dolowitz et al. 1996; Bevir and Rhodes, 1998; Kerr and Marsh, 1999; Walsh, 2000; Kerr, 2001; Sutcliffe-Braithwaite, 2012; Dorey, 2014; Hay and Farrall, 2014; Farrall, Burke and Hay, 2015; Jessop, 2015; Smith, 2015; Ortolano, 2019). The evidence examined shows that neither argument can be sustained insofar as the motivations behind the policies pursued are concerned.

At the same time as revising our understanding of Thatcher's leadership and British politics, the findings of this thesis suggest a general need to reassess the relative significance of ideological, electoral and institutional considerations. Drawing lessons from an in-depth study of a party in power (the Conservatives under Thatcher) often linked with a strong ideological direction, this thesis should prompt greater analysis of the role of institutional agendas in shaping policy. Strom (1990) presents a vote-seeking, policyseeking and office-seeking model of party behaviour, but this three-dimensional model neglects the role of institutional considerations in shaping party decisions in office (and even in opposition, especially in a case such as the Conservatives in the late 1970s where a traditional governing party anticipates returning to office in the near future). Using comparative data, Blais, Blake and Dion (1993) suggest that the ideological differences between left-wing and right-wing governments become more significant with greater longevity in office for single-party majority governments. Thatcher's premiership was a single-party majority government in a parliamentary system and in office for eleven years. In direct contradiction to Blais, Blake and Dion's analysis, this thesis finds that the strength of institutional constraints increased over time rather than weakening. The importance of qualitative research into specific cases is demonstrated by the contradiction between the thesis's empirical findings and some parts of the comparative literature.

Abbreviations

СВІ	Confederation of British Industry
CFE Treaty	Treaty on Conventional Armed Forces in Europe
CPS	Centre for Policy Studies
CRD	Conservative Research Department
CPRS	Central Policy Review Staff
DHSS	Department of Health and Social Security
EMS	European Monetary System
ERM	Exchange Rate Mechanism
FCO	Foreign and Commonwealth Office
IEA	Institute of Economic Affairs
MOD	Ministry of Defence
MTFS	Medium-Term Financial Strategy
NATO	North Atlantic Treaty Organisation
NHS	National Health Service
NSC	United States National Security Council
PSBR	Public Sector Borrowing Requirement
UN	United Nations

Bibliography

Primary Sources

- Allen, R. I. G. (1984). *Tax reform: mortgage interest relief, 1 November 1984*. [Manuscript]. At: Kew, The National Archives, T 530/179.
- Armstrong, R. (1980). *Robert Armstrong to Margaret Thatcher, 16 July 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/417. Available at: https://www.margaretthatcher.org/document/127744.
- Armstrong, R. (1981a). *Robert Armstrong to Margaret Thatcher, 17 March 1981*. [Manuscript]. At: Kew, The National Archives, CAB 164/1555.
- Armstrong, R. (1981b). *Robert Armstrong to John Nott, 2 December 1981*. [Manuscript]. At: Kew, The National Archives, T 557/232.
- Bailey, A. M. (1981). *Andrew Bailey to R. E. Radford, 24 February 1981*. [Manuscript]. At: Kew, The National Archives, T 71/1090.
- Baker, J. (1990). *Jim Baker to George Bush, 10 November 1990*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: George H. W. Bush Presidential Library.

 Available at: https://www.margaretthatcher.org/document/110720.
- Beer Branch. (1989). Beer Branch of Honiton Conservative Association to Peter Emery, 5

 August 1989. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party

 Archive, CRD L/4/18/1.
- Biffen, J. (1980a). *John Biffen to Geoffrey Howe, 4 March 1980*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: HM Treasury, PO-CH-GH0045A. Available at: https://www.margaretthatcher.org/document/133942.
- Biffen, J. (1980b). *Public expenditure. Memorandum by Chief Secretary, Treasury. 20*October 1980. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/167. Available at:

 https://www.margaretthatcher.org/document/115444.
- Binstead, J. R. (1990). *Jane Binstead to Charles Powell, 14 August 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3076. Available at: https://www.margaretthatcher.org/document/206014.
- Brereton, D. (1979). *Don Brereton to Tim Lankester, 15 June 1979*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1856.

 Available at: https://www.margaretthatcher.org/document/143952.

- Brittan, L. (1985). *Leon Brittan to Margaret Thatcher, 3 December 1985*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1415. Available at: https://www.margaretthatcher.org/document/136850.
- Britto, K. (1978). *General Political Survey, 25 May 1978*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/27/49.
- Britto, K. (1982a). *Public opinion background note 114 (produced 25th May 1982)*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/11/9/35. Available at: https://www.margaretthatcher.org/document/123626.
- Britto, K. (1982b). *Public opinion background note 117 (produced 12th June 1982)*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/11/9/35. Available at: https://www.margaretthatcher.org/document/123629.
- Bull, R. (1977). Richard Bull to Geoffrey Howe, 2 November 1977. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 141.
- BUPA. (1976). *BUPA Research and Planning Division to Christopher Mockler, 28 May 1976*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/55.
- Burns, I. M. (1985). *I. M. Burns to T. Laurance, 27 September 1985*. [Manuscript]. At: Kew, The National Archives, BN 13/609.
- Butler, F. E. R. (1983). *Robin Butler to John Kerr, 27 June 1983*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1062.

 Available at: https://www.margaretthatcher.org/document/213418.
- Butler, F. E. R. (1986a). *Robin Butler to John MacGregor, 24 July 1986*. [Manuscript]. At: Kew, The National Archives, T 447/1550.
- Butler, F. E. R. (1986b). *Robin Butler to John MacGregor, 24 September 1986*. [Manuscript]. At: Kew, The National Archives, T 447/1550.
- Butler, F. E. R. (1987). *Robin Butler to John Major, 27 July 1997*. [Manuscript]. At: Kew, The National Archives, T 640/467.
- Butler, F. E. R. (2019). Interview conducted by Ben Whisker. 18 June 2019, London.
- Cabinet Office. (1979). *Minutes of the Cabinet Meeting on 18 October 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/66. Available at: https://www.margaretthatcher.org/document/113753.
- Cabinet Office. (1982). *Minutes of Cabinet Meeting on 16 December 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/74. Available at: https://www.margaretthatcher.org/document/123915.

- Cabinet Office. (1983). *Minutes of the Cabinet Meeting on 26 July 1983*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/76. Available at: https://www.margaretthatcher.org/document/128265.
- Cabinet Office. (1987). *Minutes of the Cabinet Meeting on 23 July 1987*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/87. Available at: https://www.margaretthatcher.org/document/218028.
- Cabinet Office. (1989a). *Minutes of the Cabinet on 26 January 1989*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/93.

 Available at: https://www.margaretthatcher.org/document/149502.
- Cabinet Office. (1989b). *Minutes of the Cabinet Meeting on 12 July 1989*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 128/94. Available at: https://www.margaretthatcher.org/document/149524.
- Cardona, G. (1980). *Chancellor's meeting, 17 September 1980*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: Churchill Archives Centre, Adam Ridley

 MSS. Available at: https://www.margaretthatcher.org/document/113274.
- CBI. (1986). *CBI news release embargoed until 14 January 1986*. [Manuscript]. At. Kew, The National Archives, T 530/204.
- CPRS. (1982). Longer term options: memorandum by the Central Policy Review Staff.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/718. Available at:

 https://www.margaretthatcher.org/document/136051.
- Clarke, K. (2016). Kind of blue: a political memoir. London: Macmillan.
- Conaway, L. (1985). *Len Conaway to Henry Purcell, 20 May 1985*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD L/4/16/4.
- Conservative Central Office. (1978). Conservative Campaign Guide Supplement 1978.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/110797.
- Conservative Party. (1975). Report of a Meeting held on Monday, 17th March 1975 at 7.00pm, in the room of the Leader of the Opposition at the House of Commons. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Conservative Party. (1976). *The Right Approach*. [Online]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/109439.
- Conservative Party. (1978). *Conservative Campaign Guide 1978*. [Online]. Thatcher MSS (digital collection). At: https://www.margaretthatcher.org/document/110797.

- Conservative Party. (1979). Conservative General Election Manifesto 1979. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/110858.
- Conservative Party. (1986a). *Minutes of the Strategy Group on 24 November 1986*.

 [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/30/7/6.
- Conservative Party. (1986b). *Managing the economy. Report of a policy group autumn*1986. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/7/5/49.

 Available at: https://www.margaretthatcher.org/document/205194.
- Conservative Party. (1987). 1987 Conservative Party General Election Manifesto. [Online].

 http://www.conservativemanifesto.com/. Available at:

 http://www.conservativemanifesto.com/1987/1987-conservative-manifesto.shtml.
- Cradock, P. (1997). *In pursuit of British interests: reflections on foreign policy under Margaret Thatcher and John Major*. London: John Murray.
- CRD. (1975a). Minutes of the Shadow Cabinet meeting on 11 April 1975. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/109958.
- CRD. (1975b). *Minutes of the Steering Committee meeting on 19 May 1975*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/1/233. Available at: https://www.margaretthatcher.org/document/109969.
- CRD. (1975c). *Minutes of the Shadow Cabinet meeting on 18 June 1975*. [Digitised Manuscript]. Thatcher MSS (digital collection): Available at:

 https://www.margaretthatcher.org/document/109976.
- CRD. (1975d). Minutes of the Shadow Cabinet meeting on 18 November 1975. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/110011.
- CRD. (1975e). *Minutes of the Economic Reconstruction Group meeting on 20 November*1975. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD
 4/4/26.
- CRD. (1975f). Minutes of the Shadow Cabinet meeting on 3 December 1975. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/110014.
- CRD. (1976a). *Minutes of the Economic Reconstruction Group meeting on 15 January 1976*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 136.

- CRD. (1976b). Minutes of the Second Working Lunch held at 24 Old Queen Street on Monday February 23rd at 1pm. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, KJ 26/7.
- CRD (1976c). Minutes of the Shadow Cabinet meeting on 28 April 1976. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/110047.
- CRD. (1977). Minutes of the Shadow Cabinet meeting on 6 October 1977. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/109736.
- CRD. (1978a). *Public expenditure commitments, 31 March 1978*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/4/111.
- CRD. (1978b). Some main economic issues, 30 June 1978. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/1/97. Available at: https://www.margaretthatcher.org/document/109764.
- CRD. (1978c). *Minutes of the Shadow Cabinet meeting on 31 July 1978*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/1/163. Available at: https://www.margaretthatcher.org/document/109889.
- CRD. (1979). *Meeting at Flood St April* 1st 1979. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 161.
- Cropper, P. (1978). *Peter Cropper to Adam Ridley, 18 December 1978*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/27/49.
- Cropper, P. (1980a). *Finance Committee 11 November*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/2/48. Available at: https://www.margaretthatcher.org/document/112645.
- Cropper, P. (1980b). *Finance Committee 25 November*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/2/48. Available at: https://www.margaretthatcher.org/document/112646.
- Damerell, D. V. (1976). Derek Damerell to Gerard Vaughan, 15 November 1976.

 [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/55.
- Department of Health. (1989). Working for Patients. Cm 555. London: The Stationery Office.
- DHSS. (1979). *Draft consultation letter on private practice*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1856. Available at: https://www.margaretthatcher.org/document/143952.

- Dimbleby, D. (1988). Margaret Thatcher TV Interview for BBC1 Panorama (announces NHS review). [Online]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/107028.
- Downing Street. (1979a). General Haig's farewell call on the Prime Minister, 13 June 1979.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/15. Available at:

 https://www.margaretthatcher.org/document/112578.
- Downing Street. (1979b). *Notes of a meeting between the Prime Minister and Professor Sir Alec Merrison, 29 August 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1856. Available at: https://www.margaretthatcher.org/document/144097.
- Downing Street. (1982). Record of a meeting held at Downing Street on Tuesday 13 April 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/617. Available at:

 https://www.margaretthatcher.org/document/121984.
- Downing Street. (1986). *Draft minute for the Prime Minister. Education and health*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.
- Downing Street. (1988). *The markets: your discussion with the Chancellor, 16 May 1988*.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2099. Available at:

 https://www.margaretthatcher.org/document/207875.
- FCO. (1982). Foreign and Commonwealth Office to UK Embassy Washington, 6 May 1982.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/625. Available at:

 https://www.margaretthatcher.org/document/122062.
- Fowler, N. (1981a). *Norman Fowler to Margaret Thatcher, 18 November 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/422. Available at: https://www.margaretthatcher.org/document/127867.
- Fowler, N. (1981b). *Norman Fowler to Margaret Thatcher, 11 December 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/848. Available at: https://www.margaretthatcher.org/document/141388.

- Fowler, N. (1982). *Norman Fowler to Geoffrey Howe, 29 October 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/988. Available at: https://www.margaretthatcher.org/document/152747.
- Fowler, N. (1983). *Norman Fowler to Peter Rees, 20 July 1983*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/985.

 Available at: https://www.margaretthatcher.org/document/128502.
- Fowler, N. (1991). Ministers decide. London: Chapmans.
- George, E. (1988a). *Eddie George to Robin Leigh-Pemberton, 14 January 1988*. [Manuscript]. At: London, Bank of England Archive, 10A114/21.
- George, E. (1988b). *Eddie George to Tony Coleby, 25 February 1988*. [Manuscript]. At: London, Bank of England Archive, 10A114/21.
- Gilmour, I. (1976). *The cost of defence, 12 February 1976*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/1/158. Available at: https://www.margaretthatcher.org/document/110130.
- Gilmour, I. (1983). *Ian Gilmour to John Selwyn Gummer, 8 December 1983*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD L/4/16/3.
- Gray, P. (1988). *Paul Gray to Margaret Thatcher, 13 May 1988*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: PREM 19/2631. Available at:

 https://www.margaretthatcher.org/document/211565.
- Griffiths, R. (1983). *NHS management inquiry*. [Online]. Copy on the website of the Socialist Health Association. Available at: https://www.sochealth.co.uk/national-health-service/griffiths-report-october-1983/.
- Gummer, J. S. (1985). *John Selwyn Gummer to Michael Heseltine, 28 March 1985*. [Digitised Manuscript]. Origin: The National Archives, PREM 19/1845. Available at: https://www.margaretthatcher.org/document/205606.
- Haig, A. (1982a). Alexander Haig to Ronald Reagan, 9 April 1982. [Digitised Manuscript].
 Thatcher MSS (digital collection). Origin: Ronald Reagan Presidential Library.
 Available at: https://www.margaretthatcher.org/document/109216.
- Haig, A. (1982b). Alexander Haig to Francis Pym, 5 May 1982. [Digitised Manuscript].
 Thatcher MSS (digital collection), THCR 1/20/3/10. Available at:
 https://www.margaretthatcher.org/document/123065.
- Henderson, N. (1982). *UKE Washington to FCO, 5 May 1982*. [Digitised Manuscript].

 Thatcher MSS (digital collection), THCR 1/20/3/1. Available at:

 https://www.margaretthatcher.org/document/123063.

- Heseltine, M. (1985). *Michael Heseltine to Margaret Thatcher, 17 April 1985*. [Manuscript]. At: Kew, The National Archives, DEFE 13/1954.
- Heseltine, M. (2000). *Michael Heseltine. Life in the jungle. My autobiography*. London: Hodder and Stoughton.
- HM Treasury. (1979a). *The government's expenditure plans 1980-81*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/22. Available at: https://www.margaretthatcher.org/document/114933.
- HM Treasury. (1979b). *The economic outlook and public expenditure. Memorandum by the Chancellor of the Exchequer*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/171. Available at: https://www.margaretthatcher.org/document/115524.
- HM Treasury. (1983). *Note of a meeting at HM Treasury on 18 October 1983*. [Manuscript]. At: Kew, The National Archives, T 447/825.
- HM Treasury. (1988a). *Minutes of a meeting held in the Chancellor's office HM Treasury at 2.45pm on Friday 15 January*. [Manuscript]. At: London, Bank of England Archive, 10A114/21.
- HM Treasury. (1988b). *Greater competition in the NHS*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/4/65.
- HM Treasury. (1988c). *Consumer choice*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/4/65.
- HM Treasury. (1988d). Minutes of a meeting held in the Chancellor's room HM Treasury at 10.30am on Monday 16 May. [Manuscript]. At: London, Bank of England Archive, 10A114/22.
- Hopkinson, G. W. (1979). *G. W. Hopkinson to Paul Gray, 30 March 1984*. [Manuscript]. At: Kew, The National Archives, T 530/179.
- House of Commons. (1975). *National Health Service (Royal Commission), 20 October 1975*.

 [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1975/oct/20/national-health-service-royal-commission.
- House of Commons. (1977). *Defence, 22 March 1977*. [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1977/mar/22/defence-1.
- House of Commons. (1978a). *Defence, 13 March 1978*. [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1978/mar/13/defence.

- House of Commons. (1978b). Budget resolutions and economic situation, 11 April 1978.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/103653.
- House of Commons. (1978c). *National Health Service, 20 April 1978*. [Online]. Hansard. Available at: https://hansard.parliament.uk/commons/1978-04-20/debates/6f6115fc-a5b1-4da4-8be5-811ee888d673/NationalHealthService.
- House of Commons. (1978d). *National Health Service (Dispute), 16 June 1978*. [Online].

 Hansard. Available at: https://hansard.parliament.uk/Commons/1978-06-16/debates/4a9e1f0f-5ec6-4208-93b6-f0a5a2809d35/NationalHealthService(Dispute).
- House of Commons. (1978e). *Hospital Services (London), 7 December 1978*. [Online]. Hansard. Available at: https://hansard.parliament.uk/Commons/1978-12-07/debates/101cce3b-fdb9-4326-92db-5edd4e2940b6/CommonsChamber.
- House of Commons. (1979). *Guadeloupe summit meeting, 16 January 1979*. [Online].

 Hansard. Available at: https://api.parliament.uk/historic-

 hansard/commons/1979/jan/16/guadeloupe-summit-meeting.
- House of Commons. (1981). 1981 Budget (Howe 3), 10 March 1981. [Online]. Hansard. Available at: https://www.margaretthatcher.org/document/109499.
- House of Commons. (1982a). Fleet carriers, 23 February 1982. [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1982/feb/23/fleet-carriers.
- House of Commons. (1982b). HMS "Fearless" and HMS "Intrepid", 8 March 1982. [Online].

 Hansard. Available at: https://api.parliament.uk/historic-hansard/written-answers/1982/feb/23/hms-intrepid-and-fearless.
- House of Commons. (1983a). *Royal Air Force (defence suppression weapon), 28 July 1983*. [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1983/jul/28/royal-air-force-defence-suppression.
- House of Commons. (1983b). *Prime Minister's comments on the US budget deficit, 8***December 1983. [Online]. Thatcher MSS (digital collection). Available at:

 **https://www.margaretthatcher.org/document/149800.
- House of Commons. (1984a). *National Health Service (Griffiths Report), 4 May 1984*.

 [Online]. Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1984/may/04/national-health-service-griffiths-report.

- House of Commons. (1984b). *House of Commons Parliamentary Questions, 12 July 1984*.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/105723.
- House of Commons. (1985). *National Health Service (Charges), 11 March 1985*. [Online].

 Hansard. Available at: https://api.parliament.uk/historic-hansard/commons/1985/mar/11/national-health-service-charges.
- House of Commons. (1987). 1987 Budget (Lawson 4), 17 March 1987. [Online]. Thatcher

 MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/111448.
- House of Commons. (1988a). 1988 Budget (Lawson 5), 15 March 1988. [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/111449.
- House of Commons. (1988b). European Fighter Aircraft, 25 April 1988. [Online]. Hansard.

 Available at: https://api.parliament.uk/historic-hansard/commons/1988/apr/25/european-fighter-aircraft.
- House of Commons. (1990). *Defence (options for change), 25 July 1990*. [Online]. Hansard.

 Available at: https://api.parliament.uk/historic-hansard/commons/1990/jul/25/defence-options-for-change.
- Houston, J. (1986a). *Next steps on presentation of arms control and defence policies*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/65.
- Houston, J. (1986b). *John Houston to Stephen Sherbourne, 14 November 1986*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/65.
- Howarth, A. (1978). *Alan Howarth to Peter Thorneycroft, 23 May 1978*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/16/11.
- Howe, G. (1976a). *Geoffrey Howe to Keith Joseph, 22 March 1976*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Howe, G. (1976b). *Economic policy. A paper by Sir Geoffrey Howe, 4 June 1976*.

 [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, ACP 3/21B.
- Howe, G. (1978). *Geoffrey Howe to Margaret Thatcher, 31 October 1978*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 145.
- Howe, G. (1979a). *Geoffrey Howe to Margaret Thatcher, 12 March 1979*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 161.

- Howe, G. (1979b). *Geoffrey Howe to Margaret Thatcher, 11 May 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection), TCHR 2/6/2/48. Available at: https://www.margaretthatcher.org/document/118732.
- Howe, G. (1979c). *Geoffrey Howe to Margaret Thatcher, 12 December 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/164. Available at: https://www.margaretthatcher.org/document/115364.
- Howe, G. (1980a). *Public expenditure: economic and monetary background. Memorandum by the Chancellor of the Exchequer, 22 January 1980*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/208.

 Available at: https://www.margaretthatcher.org/document/113811.
- Howe, G. (1980b). Medium Term Financial Strategy. Memorandum by the Chancellor of the Exchequer. [Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/208. Available at: https://www.margaretthatcher.org/document/113824.
- Howe, G. (1981a). *Geoffrey Howe to Patrick Jenkin, 3 February 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: HM Treasury, PO-CH-GH 0154A. Available at: https://www.margaretthatcher.org/document/127460.
- Howe, G. (1981b). *Geoffrey Howe to Margaret Thatcher, 16 May 1981*. [Manuscript]. At: Kew, The National Archives, CAB 164/1555.
- Howe, G. (1981c). *Geoffrey Howe to Margaret Thatcher, 16 December 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/848. Available at: https://www.margaretthatcher.org/document/141387.
- Howe, G. (1982a). *Geoffrey Howe to Margaret Thatcher, 25 June 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/713. Available at: https://www.margaretthatcher.org/document/137238.
- Howe, G. (1982b). *Geoffrey Howe to Margaret Thatcher, 3 December 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/988. Available at: https://www.margaretthatcher.org/document/152736.
- Howe, G. (1982c). *Using private enterprise in government, 10 December 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/215. Available at: https://www.margaretthatcher.org/document/127252.
- Howe, G. (1983a). *Economic strategy. Memorandum by the Chancellor of the Exchequer, 1*February 1983. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The

- National Archives, CAB 129/216. Available at: https://www.margaretthatcher.org/document/128295.
- Howe, G. (1983b). *Geoffrey Howe to Margaret Thatcher, 24 February 1983*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/997. Available at: https://www.margaretthatcher.org/document/147809.
- Howe, G. (1995). Conflict of loyalty. London: Pan Books.
- Howe, G. and Biffen, J. (1980). Public expenditure: memorandum by the Chancellor of the Exchequer and the Chief Secretary, Treasury, 21 January 1980. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/208. Available at: https://www.margaretthatcher.org/document/113810.
- Howe, G., Joseph, K., Prior, J. and Howell, D. (1977). *The right approach to the economy*. [Online]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/112551.
- Howe, J. (1986). *John Howe to Jill Rutter, 9 April 1986*. [Manuscript]. At: Kew, The National Archives, DEFE 13/1953.
- Howell, D. (1976). *David Howell to Geoffrey Howe, 23 August 1976*. [Manuscript]. At: At: Oxford, Bodleian Library, MS. Howe dep. 138.
- Hunt, J. (1979). *John Hunt to Margaret Thatcher, 11 May 1979*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/161.

 Available at: https://www.margaretthatcher.org/document/118575.
- Hurd, D. (2004). Douglas Hurd. Memoirs. London: Abacus.
- Ingham, B. (1985). *Bernard Ingham to Margaret Thatcher, 2 August 1985*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 1/14/14. Available at: https://www.margaretthatcher.org/document/142276.
- Ingham, B. (1986). *Bernard Ingham Margaret Thatcher, 29 May 1986*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.
- Ingham, B. (1988). *Bernard Ingham to Margaret Thatcher, 9 February 1988*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 5/2/280. Available at: https://www.margaretthatcher.org/document/208602.
- Jenkin, P. (1980). *Patrick Jenkin to Peter Thorneycroft, 24 November 1980*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/101.

- Jopling, M. (1982a). *Michael Jopling to Margaret Thatcher, 9 February 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/687. Available at: https://www.margaretthatcher.org/document/135416.
- Jopling, M. (1982b). *Michael Jopling to Francis Pym, 6 April 1982*. [Digitised Manuscript].

 Thatcher MSS (digital collection), THCR 1/20/3/5. Available at:

 https://www.margaretthatcher.org/document/122846.
- Jopling, M. (2019). Interview conducted by Ben Whisker. 5 July 2019, Thirsk.
- Joseph, K. (1976). *Keith Joseph to William Whitelaw, 17 March 1976*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Joseph, K. (1978). *Keith Joseph to Margaret Thatcher, 27 February 1978*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/1/1/39. Available at: https://www.margaretthatcher.org/document/111826.
- Joynes, P. (1979). *Peter Joynes to Richard Ryder, 21 August 1979*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD L/4/36/6.
- King, T. (1990). *Tom King to Margaret Thatcher, 10 July 1990*. [Manuscript]. At: Kew, The National Archives, PREM 19/2932.
- Lamont. N. (1986). *Norman Lamont to George Younger, 28 April 1986*. [Manuscript]. At: Kew, The National Archives, DEFE 19/1953.
- Lankester, T. (1980). *Tim Lankester to A. J. Wiggins, 13 November 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/180. Available at: https://www.margaretthatcher.org/document/113270.
- Lankester, T. (2018). Interview conducted by Ben Whisker. 12 September 2018, London.
- Lawson, N. (1978a). *Nigel Lawson to Gordon Richardson, 14 February 1978*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Lawson, N. (1978b). *Nigel Lawson to Margaret Thatcher, 30 October 1978*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 145.
- Lawson, N. (1979). *Nigel Lawson to Geoffrey Howe, 28 August 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, T 388/59. Available at: https://www.margaretthatcher.org/document/113282.
- Lawson, N. (1983). *Nigel Lawson to Cecil Parkinson, 21 July 1983*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/974.

 Available at: https://www.margaretthatcher.org/document/152509.
- Lawson, N. (1984a). *Economic strategy. Memorandum by the Chancellor of the Exchequer, 3 February 1984*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The

- National Archives, CAB 129/218. Available at: https://www.margaretthatcher.org/document/133211.
- Lawson, N. (1984b). *The British experiment, 18 June 1984*. [Online]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/109504.
- Lawson, N. (1985). *Nigel Lawson to Margaret Thatcher, 18 February 1985*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1654. Available at: https://www.margaretthatcher.org/document/149802.
- Lawson, N. (1987). *Nigel Lawson to George Younger, 11 August 1987*. [Manuscript]. At: Kew, The National Archives, PREM 19/2070.
- Lawson, N. (1988a). *Nigel Lawson to Robin Leigh-Pemberton*, 17 June 1988. [Manuscript]. At: London, Bank of England Archive, 10A114/22.
- Lawson. N. (1988b). *Chancellor's end-of-term letter, 27 July 1988*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2087. Available at: https://www.margaretthatcher.org/document/207857.
- Lawson, N. (1992). The view from no. 11: memoirs of a Tory radical. London: Bantam Press.
- Leigh-Pemberton, R. (1988). *Robin Leigh-Pemberton to Nigel Lawson, 15 June 1988*. [Manuscript]. At: London, Bank of England Archive, 10A114/22.
- Lomax, R. (1986). *Rachel Lomax to Nicholas Monck, 17 January 1986*. [Manuscript]. At: Kew, The National Archives, T 530/204.
- Macdonald, K. C. (1985). Annex B entitled 'Public Expenditure: Defence Budget' and 'Points to make', attached to memorandum from Kenneth Macdonald to Richard Mottram, 19 June 1985. [Manuscript]. At: Kew, The National Archives, DEFE 13/1954.
- Major, J. (1999). John Major. The autobiography. London: HarperCollins.
- Martin, F. (1984). F. Martin to G. W. Hopkinson, 30 March 1984. [Manuscript]. At Kew, The National Archives, T 530/179.
- Maude, F. (1978). *Paper on themes, 16 February 1978*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/1/233. Available at: https://www.margaretthatcher.org/document/109853.
- Melhuish, R. (1977). Visit to the USA of Mrs Margaret Thatcher, 30 September 1977.

 [Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, FCO 82/775. Available at: https://www.margaretthatcher.org/document/120818.
- Mockler, C. (1975). *Minutes of a meeting held on 30th September 1975 at the Research Department*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/1/34.

- Mockler, C. (1976a). *Minutes of the Social Services Policy Group, 10 February 1976*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/1/34.
- Mockler, C. (1976b). *Minutes of the Social Services Policy Group, 19 October 1976*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/1/34.
- Mockler, C. (1977). *National Health Service Charges, 14 June 1977*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/55.
- Mockler, C. (1978). *Minutes of the Social Services Policy Group, 13 February 1978*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, CRD 2/6/1/34.
- Mockler, C. (1980). *Christopher Mockler to Alan Howarth, 19 June 1980*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/101.
- MOD. (1983). *Profits on defence contracts, 4 February 1983*. [Manuscript]. At: Kew, The National Archives, DEFE 13/1799.
- MOD. (1985). Note for the record of a meeting with the German Defence Minister, 18

 January 1985. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1764. Available at:

 https://www.margaretthatcher.org/document/201476.
- MOD. (1990). *Defence policy and programme: options for change*. [Manuscript]. At: Kew, The National Archives, PREM 19/2932.
- Mottram, R. (1986). *Richard Mottram to Charles Powell, 6 January 1986*. [Digitised Manuscript]. Thatcher MSS (digital collections). Origin: The National Archives, PREM 19/1667. Available at:

 https://www.margaretthatcher.org/document/144939.
- Mount, F. (1982a). Ferdinand Mount to Margaret Thatcher, 8 September 1982. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 1/15/5A. Available at: https://www.margaretthatcher.org/document/123005.
- Mount, F. (1982b). Ferdinand Mount to Margaret Thatcher, 13 December 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, 19/988. Available at: https://www.margaretthatcher.org/document/152736.
- Mount, F. (1983a). Ferdinand Mount to Margaret Thatcher, 1 July 1983. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/985. Available at: https://www.margaretthatcher.org/document/128492.

- Mount, F. (1983b). Ferdinand Mount to Margaret Thatcher, 14 September 1983. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 1/15/9. Available at: https://www.margaretthatcher.org/document/131109.
- Mount, F. (1983c). Ferdinand Mount to Margaret Thatcher, 19 October 1983. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/986. Available at: https://www.margaretthatcher.org/document/152672.
- Mount, F. (1983d). Ferdinand Mount to Norman Fowler, 16 December 1983. [Manuscript]. At: Kew, The National Archives, BN 13/599.
- Mount, F. and Walters, A. (1982). Ferdinand Mount and Alan Walters to Michael Scholar, 17

 June 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The

 National Archives, PREM 19/717. Available at:

 https://www.margaretthatcher.org/document/137303.
- Norgrove, D. R. (1986). *David Norgrove to Margaret Thatcher, 25 November 1986*.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2099. Available at:

 https://www.margaretthatcher.org/document/208069.
- Norgrove, D. R. (1987a). *David Norgrove to John Howe, 5 May 1987*. [Manuscript]. At: Kew, The National Archives, T 640/467.
- Norgrove, D. R. (1987b). *David Norgrove to Margaret Thatcher, 10 June 1987*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2675. Available at: https://www.margaretthatcher.org/document/207690.
- Norgrove, D. R. (1987c). *Meeting with Sir Alan Walters, 1 July 1987*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2675.

 Available at: https://www.margaretthatcher.org/document/207689.
- Norgrove, D. R. (1987d). *David Norgrove to Margaret Thatcher, 15 December 1987*.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2099. Available at:

 https://www.margaretthatcher.org/document/207893
- Nott, J. (1981). *John Nott to Margaret Thatcher, 11 March 1981*. [Manuscript]. At: Kew, The National Archives, CAB 164/1555.
- Nott, J. (1982a). *John Nott to Antony Buck, 3 February 1982*. [Manuscript]. At: Cambridge, Churchill Archives Centre, THCR 2/6/2/47.

- Nott, J. (1982b). *John Nott to Margaret Thatcher, 9 February 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/687. Available at: https://www.margaretthatcher.org/document/135417.
- Nott, J. (2002). *Here today, gone tomorrow: recollections of an errant politician*. London: Politico's Publishing.
- NSC. (1979). *Memorandum for David Aaron, 17 April 1979*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: Jimmy Carter Presidential Library. Available at: https://www.margaretthatcher.org/document/124471.
- O'Mara, M. (1982). Margaret O'Mara to Michael Scholar, 9 December 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: PREM 19/988. Available at: https://www.margaretthatcher.org/document/152736.
- O'Mara, M. (1983). *Margaret O'Mara to Andrew Bailey, 19 October 1983*. [Manuscript]. At: Kew, The National Archives, T 447/825.
- O'Sullivan, J. (1988a). *John O'Sullivan to Margaret Thatcher, 26 January 1988*. [Manuscript]. At: Cambridge, Churchill Archives Centre, THCR 2/6/4/65.
- O'Sullivan, J. (1988b). *John O'Sullivan to Margaret Thatcher (Health Review), 31 March* 1988. [Manuscript]. At: Cambridge, Churchill Archives Centre, THCR 2/6/4/65.
- O'Sullivan, J. (1988c). *John O'Sullivan to Margaret Thatcher (European Fighter Aircraft), 31 March 1988.* [Manuscript]. At: Kew, The National Archives, PREM 19/2070.
- Omand, D. (1980). *David Omand to Tim Lankester, 17 November 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/414. Available at: https://www.margaretthatcher.org/document/127654.
- Otton, G. (1984). *Geoffrey Otton to Mr Godber, 6 January 1984*. [Manuscript]. At: Kew, The National Archives, BN 13/599.
- Owen, N. (1985). *Nicholas Owen to Margaret Thatcher, 19 March 1985.* [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1845. Available at: https://www.margaretthatcher.org/document/205609.
- Patten, C. (1977). Strategy paper by Chris Patten for the first meeting of the Strategy and Tactics Committee in December 1978. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CCO 20/7/24.
- Peretz, D. (1986). *David Peretz to Nigel Lawson, 31 December 1986*. [Manuscript]. At: Kew, The National Archives, T 567/6.
- Pirie, A. C. (1984). A. C. Pirie to G. W. Monger, 2 February 1984. [Manuscript]. At Kew, The National Archives, T, 530/179.

- Pliatzky, L. (1989). The Treasury under Mrs Thatcher. Oxford: Basil Blackwell.
- Potter, B. (1990a). *Barry Potter to Margaret Thatcher, 1 May 1990*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: PREM 19/2948. Available at:

 https://www.margaretthatcher.org/document/219022.
- Potter, B. (1990b). *Note for the record of Prime Minister's bilateral with the Chancellor on 9*May 1990. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: PREM

 19/2948. Available at: https://www.margaretthatcher.org/document/219024.
- Potter, B. (1990c). *Barry Potter to Andy McKeon, 15 June 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: PREM 19/3460. Available at: https://www.margaretthatcher.org/document/218586.
- Potter, B. (1990d). *Barry Potter to Andy McKeon, 4 July 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: PREM 19/3460. Available at: https://www.margaretthatcher.org/document/218587.
- Potter, B. (1990e). *Barry Potter to John Gieve, 23 October 1990*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: PREM 19/2948. Available at:

 https://www.margaretthatcher.org/document/219045.
- Powell, C. (1986). *Charles Powell to Margaret Thatcher, 13 November 1986*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 1/10/110. Available at: https://www.margaretthatcher.org/document/149650.
- Powell, C. (1987). *Charles Powell to John Howe, 13 July 1987*. [Manuscript]. At: Kew, The National Archives, PREM 19/2070.
- Powell, C. (1988). *Charles Powell to Margaret Thatcher, 15 March 1988*. [Manuscript]. At: Kew, The National Archives, PREM 19/2070.
- Powell, C. (1989a). *Charles Powell to Margaret Thatcher, 25 May 1989*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2788. Available at: https://www.margaretthatcher.org/document/212345.
- Powell, C. (1989b). *Charles Powell to Stephen Wall, 26 June 1989*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/2666. Available at: https://www.margaretthatcher.org/document/209819.
- Powell, C. (1990a). Note for the record. Defence options study, 2 June 1990, and covering note from Charles Powell to Simon Webb, 14 June 1990. [Manuscript]. At: Kew, The National Archives, PREM 19/2932.
- Powell, C. (1990b). *Charles Powell to Margaret Thatcher, 13 July 1990*. [Manuscript]. At: Kew, The National Archives, PREM 19/2932.

- Powell, C. (1990c). *Charles Powell to Jane Binstead, 14 August 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3076. Available at: https://www.margaretthatcher.org/document/206013.
- Powell, C. (1990d). *Note for the record. Iraq/Kuwait, 6 September 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3080. Available at: https://www.margaretthatcher.org/document/206319.
- Powell, C. (1990e). *Charles Powell to Simon Webb, 13 September 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3081. Available at: https://www.margaretthatcher.org/document/206446.
- Purcell, H. (1985). *Henry Purcell to Robin Harris, 22 May 1985*. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD L/4/16/4.
- Pym, F. (1979a). *Francis Pym to Geoffrey Howe, 13 July 1979*. [Manuscript]. At: Kew, The National Archives, FCO 46/2034.
- Pym, F. (1979b). Francis Pym to Margaret Thatcher, 20 September 1979. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/15. Available at: https://www.margaretthatcher.org/document/112589.
- Pym, F. (1982a). *Francis Pym to Alexander Haig, 26 May 1982*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/631.

 Available at: https://www.margaretthatcher.org/document/122104.
- Pym, F. (1982b). Francis Pym to Margaret Thatcher, 25 October 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/979. Available at: https://www.margaretthatcher.org/document/128454.
- Rawlinson, A. (1981). *Anthony Rawlinson to Geoffrey Howe, 24 February 1981*. [Manuscript]. At: Kew, The National Archives, T 371/1090.
- Reagan, R. (1978). *Ronald Reagan to Margaret Thatcher, 29 December 1978*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/2/1/27. Origin: Available at: https://www.margaretthatcher.org/document/111687.
- Reagan, R. (1982). Ronald Reagan to Margaret Thatcher, 5 May 1982. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 1/20/3/10. Available at: https://www.margaretthatcher.org/document/122851.
- Redwood, J. (1986). *John Redwood to Margaret Thatcher, April 1986*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.

- Redwood, J. (1987). *John Redwood to Margaret Thatcher, 24 December 1987*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/4/65.
- Rees, P. (1984). *Peter Rees to Norman Fowler, 9 January 1984*. [Manuscript]. At: Kew, The National Archives, T 447/825.
- Rees, P. (1985). *Peter Rees to Margaret Thatcher, 22 April 1985*. [Manuscript]. At: Kew, The National Archives, DEFE 13/1954.
- Ridley, A. (1977). *Adam Ridley to George Cardona, 28 November 1977*. [Manuscript]. At Oxford Bodleian Library, MS. Howe dep. 141.
- Ridley, A. (1978). *Adam Ridley to Margaret Thatcher, 22 February 1978*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Ridley, A. (1980). *Policy options, 13 November 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/174. Available at: https://www.margaretthatcher.org/document/113273.
- Ridley, A. (1984a). *Adam Ridley to Nigel Lawson, 30 May 1984*. [Manuscript]. At: Kew, The National Archives, T 530/179.
- Ridley, A. (1984b). *Adam Ridley to Peter Rees, 31 May 1984*. [Manuscript]. At: Kew, The National Archives, T 530/179.
- Ridley, A. (1984c). *Adam Ridley to Stephen Sherbourne, 9 July 1984*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/3/161. Available at: https://www.margaretthatcher.org/document/137588.
- Ridley, A. (2014). The 1981 budget: a view from the cockpit. In D. Needham and A. Hotson, (Eds.). *Expansionary fiscal contraction: the Thatcher government's 1981 budget in perspective*. Cambridge: Cambridge University Press.
- Ridley, N. (1992). 'My style of government': the Thatcher years. London: Fontana.
- Robson, S. A. (1987). *Stephen Robson to John Major and Robin Butler, 21 July 1987*. [Manuscript]. At: Kew, The National Archives, T 640/467.
- Rutherford, M. (1986). *Interview with Margaret Thatcher conducted by Malcolm Rutherford* for the Financial Times. [Online]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/106518.
- Seammen, D. (1986). *Dianna Seammen to John MacGregor, Robin Butler and Peter Kitcatt,*24 September 1986. [Manuscript]. At: Kew, The National Archives, T 447/1550.

- Scholar, M. (1982a). *Michael Scholar to Margaret Thatcher, 9 December 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/988. Available at: https://www.margaretthatcher.org/document/152736.
- Scholar, M. (1982b). *Michael Scholar to Margaret O'Mara, 10 December 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/988. Available at: https://www.margaretthatcher.org/document/152736.
- Sherbourne, S. (1986). *Stephen Sherbourne to Margaret Thatcher, 29 May 1986*.

 [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.
- Sherbourne, S. (2018). Interview conducted by Ben Whisker. 26 October 2018, London.
- Shipley, P. (1983). *Peter Shipley to Anthony Parsons and Stephen Sherbourne, 27 October*1983. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of

 Margaret Thatcher, THCR 2/6/3/65.
- Smith, A. (1981). *Alistair Smith to Margaret Thatcher, 19 March 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 2/6/2/149. Available at: https://www.margaretthatcher.org/document/121364.
- Sparrow, J. (1982). Long term options and public spending, 2 September 1982. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/718. Available at: https://www.margaretthatcher.org/document/136051.
- Stacey, D. (1990). *Record of conversation between Thatcher and Patrick Mayhew*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3076. Available at: https://www.margaretthatcher.org/document/206062.
- Stowe, K. R. (1983). *Kenneth Stowe to Norman Fowler, 11 June 1983*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/985. Available at: https://www.margaretthatcher.org/document/128134.
- Tapsell, P. (1983). *Peter Tapsell letter handed to John Coles*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: PREM 19/1654. Available at:

 https://www.margaretthatcher.org/document/149801.
- Taylor, J. (1979). *Minutes of the Second Secretaries' Meeting on 26 October 1979*. [Manuscript]. At: Kew, The National Archives, T 364/223.
- Thatcher, M. (1975a). *Chelsea Conservative Association Speech, 26 July 1975*. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/102750.

- Thatcher, M. (1975b). Margaret Thatcher to George Younger, 3 October 1975. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: George Younger MSS.

 Available at: https://www.margaretthatcher.org/document/111410.
- Thatcher, M. (1978a). Speech to the Bow Group. The ideals of an open society, 6 May 1978.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/103674.
- Thatcher, M. (1978b). Speech to Conservative Party Conference, 13 October 1978. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/103764.
- Thatcher, M. (1979a). Speech to Conservative Central Council, 24 March 1979. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/103980.
- Thatcher, M. (1979b). Remarks at 1979 Election Press Conference, 18 April 1979. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/104017.
- Thatcher, M. (1979c). *Article in Manchester Evening News, 2 May 1979*. [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/104068.
- Thatcher, M. (1981a). *Nurses' pay, 22 December 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/848. Available at: https://www.margaretthatcher.org/document/141384.
- Thatcher, M. (1981b). *Margaret Thatcher to Harry Gill, 23 December 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/848. Available at: https://www.margaretthatcher.org/document/141384.
- Thatcher, M. (1982a). *Margaret Thatcher to Alexander Haig, 24 April 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/621. Available at: https://www.margaretthatcher.org/document/122022.
- Thatcher, M. (1982b). *Margaret Thatcher to Ronald Reagan, 5 May 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 3/1/21. Available at: https://www.margaretthatcher.org/document/122864.
- Thatcher, M. (1983). *Margaret Thatcher to Geoffrey Howe, 28 February 1983*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/997. Available at: https://www.margaretthatcher.org/document/147808.

- Thatcher, M. (1984). Speech made to the 1922 Committee on 19 July 1984. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/105563.
- Thatcher, M. (1987a). Speech to Conservative Candidates' Conference, 20 May 1987.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/106823.
- Thatcher, M. (1987b). *Margaret Thatcher to Nicholas Winterton, 22 December 1987*. [Digitised Manuscript]. Thatcher MSS (digital collection). Available at: https://www.margaretthatcher.org/document/107001.
- Thatcher, M. (1988). *Margaret Thatcher to Gordon Brown, 21 January 1988*. [Digitised Manuscript]. Thatcher MSS (digital collection), THCR 3/2/232. Available at: https://www.margaretthatcher.org/document/209837.
- Thatcher, M. (1990a). Speech to Young Conservative Conference, 10 February 1990.

 [Online]. Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/108011.
- Thatcher, M. (1990b). Speech to Conservative Central Council, 31 March 1990. [Online].

 Thatcher MSS (digital collection). Available at:

 https://www.margaretthatcher.org/document/108051.
- Thatcher, M. (1990c). *Margaret Thatcher to Derek Rayner, 14 June 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3460. Available at: https://www.margaretthatcher.org/document/218585.
- Thatcher, M. (1990d). *Margaret Thatcher to Helmut Kohl, 24 July 1990*. [Manuscript]. At: Kew, The National Archives, PREM 19/2932.
- Thatcher, M. (1990e). Margaret Thatcher to Prince Bandar of Saudi Arabia, 20 August 1990.

 [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3077. Available at:

 https://www.margaretthatcher.org/document/206285.
- Thatcher, M. (1995a). *Margaret Thatcher: the Downing Street years*. New York: HarperPerennial.
- Thatcher, M. (1995b). Margaret Thatcher: the path to power. London: HarperCollins.
- Thorneycroft, P. (1980). *Peter Thorneycroft to Patrick Jenkin, 19 November 1980*.

 [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD 4/7/101.

- Turnbull, A. (1984). *Andrew Turnbull to Ellen Roberts, 3 January 1984*. [Manuscript]. At: Kew, The National Archives, BN 13/559.
- Turnbull, A. (1985). *Andrew Turnbull to Richard Broadbent, 23 April 1985*. [Manuscript]. At: Kew, The National Archives, DEFE 13/1954.
- Turnbull, A. (2019). Interview conducted by Ben Whisker. 22 January 2019, London.
- UK Ambassador Jedda. (1990). *UK Ambassador Jedda to FCO, 14 August 1990*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/3076. Available at: https://www.margaretthatcher.org/document/206005.
- Unwin, J. B. (1986). *J. B. Unwin to Charles Powell, 7 January 1986*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: Kew, The National Archives, PREM

 19/1667. Available at: https://www.margaretthatcher.org/document/144950.
- Vaughan, G. (1981). *Gerard Vaughan to Derek Howe, 16 December 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/848. Available at: https://www.margaretthatcher.org/document/141384.
- Wade-Gery, R. (1981). Robert Wade-Gery to Robert Armstrong, 13 March 1981.

 [Manuscript]. At: Kew, The National Archives, CAB 164/1555.
- Walters, A. (1985). *Alan Walters to David Norgrove, 6 December 1985*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1705. Available at: https://www.margaretthatcher.org/document/144820.
- Walters, A. (1990). Sterling in danger: the economic consequences of pegged exchange rates. London: Fontana.
- Warren, E. (1984). Edward Warren to the Conservative Research Department, 13 January 1984. [Manuscript]. At: Oxford, Bodleian Library, Conservative Party Archive, CRD L/4/16/3.
- Warry, P. (1985). *Peter Warry to Charles Powell, 4 December 1985*. [Digitised Manuscript].

 Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1415.

 Available at: https://www.margaretthatcher.org/document/136851.
- Wass, D. (1978). *Douglas Wass to Geoffrey Howe, 13 March 1978*. [Manuscript]. At: Oxford, Bodleian Library, MS. Howe dep. 139.
- Wass, D. (1980). *Douglas Wass to Geoffrey Howe, 7 November 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/174. Available at: https://www.margaretthatcher.org/document/113271.

- Watts, D. (1978). Press Conference at the end of Thatcher's visit to Iran, 1 May 1978.

 [Online]. Thatcher MSS (digital collection). At:

 https://www.margaretthatcher.org/document/103489.
- Whitelaw, W. (1984). *Public expenditure survey 1984, 5 November 1984*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/218. Available at: https://www.margaretthatcher.org/document/133238.
- Whitelaw, W. (1986). *Public expenditure survey 1986, 5 November 1986*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, CAB 129/221. Available at: https://www.margaretthatcher.org/document/136923.
- Whitmore, C. (1980). *Clive Whitmore to Brian Norbury, 6 August 1980*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/163. Available at: https://www.margaretthatcher.org/document/118609.
- Whitmore, C. (1981). *Clive Whitmore to Brian Norbury, 18 March 1981*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/415. Available at: https://www.margaretthatcher.org/document/127685.
- Whitmore, C. (1982). *Clive Whitmore to Margaret Thatcher, 12 February 1982*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/687. Available at: https://www.margaretthatcher.org/document/135418.
- Wicks, N. L. (1985). *Nigel Wicks to Margaret Thatcher, 23 December 1985*. [Digitised Manuscript]. Thatcher MSS (digital collection). Origin: The National Archives, PREM 19/1416. Available at: https://www.margaretthatcher.org/document/136773.
- Wicks, N. L. (1986a). Nigel Wicks to Brian Griffiths, 1 May 1986. [Manuscript]. At:
 Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR
 2/6/3/84.
- Wicks, N. L. (1986b). *Nigel Wicks to Margaret Thatcher, 30 May 1986*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.
- Wicks, N. L. (1986c). *Nigel Wicks to Tony Laurance, 6 June 1986*. [Manuscript]. At:

 Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR
 2/6/3/84.
- Wiggins, A. J. (1981). *Note of a meeting held at No. 11. Downing Street on Tuesday 27*January, 1981 at 9.30 am. [Digitised Manuscript]. Thatcher MSS (digital collection).

 Origin: HM Treasury, PO-CH-GH 0154A. Available at:

 https://www.margaretthatcher.org/document/127452.

- Wilkinson, J. (1982). *John Wilkinson to John Nott, 3 February 1982*. [Manuscript]. At:

 Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR
 2/6/2/47.
- Willetts, D. (1986). *David Willetts to Margaret Thatcher, 14 March 1986*. [Manuscript]. At: Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR 2/6/3/84.
- Willetts, D. (1988). *The National Health Service, 25 January 1988*. [Manuscript]. At:

 Cambridge, Churchill Archives Centre, The Papers of Margaret Thatcher, THCR
 2/6/4/65.
- Younger, G. (1987a). *George Younger to John Major, 2 July 1987*. [Manuscript]. At: Kew, The National Archives, T 640/467.
- Younger, G. (1987b). *George Younger to David Young, 4 August 1987*. [Manuscript]. At: Kew, The National Archives, PREM 19/2070.

Secondary Sources

- Abernethy, S. (2018). 'Let us be cool, calm—and elected': Conservative party strategy and political narrative prior to the 1983 general election. *Contemporary British History*, 32(3), 385-407.
- Adonis, A. (1994). The transformation of the Conservative Party in the 1980s. In A. Adonis and T. Hames, (Eds.). *A Conservative revolution? The Thatcher-Reagan decade in perspective*. Manchester: Manchester University Press.
- Alesina, A., Cohen, G. D. and Roubini, N. (1997). *Political cycles and the macroeconomy*. Cambridge, MA: MIT Press.
- Allan, L. (2008). *Thatcher's economists: ideas and opposition in 1980s Britain*. Unpublished: University of Oxford. DPhil.
- Bäck, H. (2008). Intra-party politics and coalition formation. Party Politics, 14(1), 71-89.
- Bae, Yooil. (2016). Ideas, interests and practical authority in reform politics:

 decentralization reform in South Korea in the 2000s. *Asian Journal of Political Science*, 24(1), 63-86.
- Bakker, F. E. (2018). *Hawks and doves. Democratic peace theory revisited*. Unpublished: Leiden University. PhD.
- Bale, T. (2010). The Conservative party: from Thatcher to Cameron. Cambridge: Polity.

- Bale, T. (2012). *The Conservatives since 1945: the drivers of party change*. Oxford: Oxford University Press.
- Bale, T. and Webb, P. (2013). Members only: views of the Conservative Party's rank-and-file. *Political Insight*, 4(3), 4-8.
- Bale, T. and Webb, P. (2016). Not as bad as we feared or even worse than we imagined?

 Assessing and explaining Conservative Party members' views on coalition. *Political Studies*, 64(1), 123-142.
- Béland, D. (2009). Ideas, institutions, and policy change. *Journal of European Public Policy*, 16(5), 701-718.
- Berman, S. (2001). Ideas, norms, and culture in political analysis. *Comparative Politics*, 33(2), 231-250.
- Berry, K. (2002). Validity and reliability issues in elite interviewing. *Political Science & Politics*, (4), 679-682.
- Bevir, M. and Rhodes, R. A. W. (1998). Narratives of 'thatcherism'. West European Politics, 21(1), 97-119.
- Blais, A., Blake, D. and Dion. S. (1993). Do parties make a difference? Parties and the size of government in liberal democracies. *American Journal of Political Science*, 37(1), 40-62.
- Bleaney, M. (1983). Conservative economic strategy. In S. Hall and M. Jacques, (Eds.). *The politics of Thatcherism*. London: Lawrence and Wishart.
- Blondel, J. and Manning, N. (2002). Do ministers do what they say? Ministerial unreliability, collegial and hierarchical governments. *Political Studies*, 50(3), 455-476.
- Bonefeld, W. (2012). Freedom and the strong state: on German ordoliberalism. *New Political Economy*, 17(5), 633-656.
- Bonefeld, W., Brown, A. and Burnham, P. (1995). *A major crisis? The politics of economic policy in Britain in the 1990s*. Aldershot: Dartmouth Publishing Company.
- Bove, V., Efthyvolou, G. and Navas, A. (2017). Political cycles in public expenditure: butter vs guns. *Journal of Comparative Economics*, 45(3), 582-604.
- Brender, A. and Drazen, A. (2013). Elections, leaders, and the composition of government spending. *Journal of Public Economics*, 97, 18-31.
- Brittan, S. (1989). The Thatcher government's economic policy. In D. Kavanagh and A. Seldon, (Eds.). *The Thatcher effect*. Oxford: Oxford University Press.

- Brouard, S., Grossman, E. Guinaudeau, I., Persico, S. and Froio, C. (2018). Do party manifestos matter in policy-making? Capacities, incentives and outcomes of electoral programmes in France. *Political Studies*, 66(4), 903-921.
- Buckler, S. and Dolowitz, D. (2012). Ideology matters: party competition, ideological positioning and the case of the Conservative Party under David Cameron. *British Journal of Politics and International Relations*, 14(4), 576-594.
- Bueno de Mesquita, B. and Smith, A. (2011). *The dictator's handbook: why bad behaviour is almost always good politics*. New York: Public Affairs.
- Bueno de Mesquita, B., Smith, A., Siverson, R. M. and Morrow, J. D. (2003). *The logic of political survival*. Cambridge, MA: MIT Press.
- Buller, J. (1999). A critical appraisal of the statecraft interpretation. *Public Administration*, 77(4), 691-712.
- Buller, J. (2006). Monetary policy. In I. Bache and A. Jordan, (Eds.). *The Europeanization of British politics*. Houndmills: Palgrave Macmillan.
- Buller, J. and Flinders, M. (2005). The domestic origins of depoliticisation in the area of British economic policy. *British Journal of Politics and International Relations*, 7(4), 526-543.
- Buller, J. and James, T. S. (2015). Integrating structural context into the assessment of political leadership: philosophical realism, Gordon Brown and the Great Financial Crisis. *Parliamentary Affairs*, 68(1), 77-96.
- Bulpitt, J. (1986). The discipline of the new democracy: Mrs Thatcher's domestic statecraft. *Political Studies*, 34(1), 19-39.
- Bulpitt, J. (1988). Rational politicians and Conservative statecraft in the open polity. In P. Byrd (Ed.). *British foreign policy under Thatcher*. Oxford: Philip Allan.
- Bulpitt, J. (1995). Historical politics: macro, in-time governing regime analysis. In J. Lovenduski and J. Stanyer, (Eds.). *Contemporary political studies 1995 Vol. 2.*Belfast: Political Studies Association.
- Bunce, V. (1981). Do new leaders make a difference? Executive succession and public policy under capitalism and socialism. Princeton: Princeton University Press.

- Burnham, P. (2001). New Labour and the politics of depoliticisation. *British Journal of Politics and International Relations*, 3(2), 127-149.
- Burnham, P., Gilland Lutz, K., Grant, W. and Layton-Henry, Z. (2008). *Research methods in politics*. Basingstoke: Palgrave Macmillan.
- Byrd, P. (1988). Defence policy. In P. Byrd (Ed.). *British foreign policy under Thatcher*.

 Oxford: Philip Allan.
- Caines, E. (2011). *Ideology or pragmatism: the Conservative Party in opposition.*Unpublished: University of Oxford. DPhil.
- Canes-Wrone, B. and Shotts, K. W. (2004). The conditional nature of presidential responsiveness to public opinion. *American Journal of Political Science*, 48(4), 690-706.
- Carey, J. M. (2007). Competing principals, political institutions and party unity in legislative voting. *American Journal of Political Science*, 51(1), 92-107.
- Carstensen, M. B. (2011). Ideas are not as stable as political scientists want them to be: a theory of incremental ideational change. *Political Studies*, 59(3), 596-615.
- Chote, R., Crawford, R., Emmerson, C. and Tetlow, G. (2010). *Public spending under Labour*.

 Institute for Fiscal Studies. [Online]. Available at:

 https://www.ifs.org.uk/bns/bn92.pdf [Accessed 4 September 2019].
- Churchill College. (2018). *The Thatcher papers*. [Online]. Churchill College, Cambridge.

 Available at: https://www.chu.cam.ac.uk/archives/collections/thatcher-papers/
 [Accessed 26 March 2018].
- Clarke, H. D. and Whiteley, P. (1990). Perceptions of macroeconomic performance, government support and Conservative Party strategy in Britain 1983-1987. *European Journal of Political Research*, 18(1), 97-120.
- Clarke, H. D., Sanders. D., Stewart, M. C. and Whiteley, P. (2004). *Political choice in Britain*.

 Oxford: Oxford University Press.
- Clarke, S. (1988). *Keynesian, monetarism and the crisis of the state*. Aldershot: Edward Elgar.
- Cockett, R. (1995). *Thinking the unthinkable: think-tanks and the economic counter-revolution 1931-1983*. London: Fontana.
- Colbourn, S. (2018). 'Cruising toward nuclear danger': Canadian anti-nuclear activism,
 Pierre Trudeau's peace mission, and the transatlantic partnership. *Cold War History*, 18(1), 13-36.

- Collins, C. (2014). The origins of the budget in 1980. In D. Needham and A. Hotson, (Eds.).

 Expansionary fiscal contraction: the Thatcher government's 1981 budget in perspective. Cambridge: Cambridge University Press.
- Conconi, P., Facchini, G. and Zanardi, M. (2014). Policymakers' horizon and trade reforms:

 The protectionist effect of elections. *Journal of International Economics*, 94(1), 102-118.
- Cooper, D. (2016). Imagining something else entirely: metaphorical archives in feminist theory. *Women's Studies*, 45(5), 444-456.
- Conservative Party Archive. (2009). *Guide to the Conservative Party Archive*. [Online].

 Bodleian Libraries. Available at:

 http://www.bodleian.ox.ac.uk/cpa/collections/guide-to-the-conservative-party-archive [Accessed 29 March 2017].
- Crewe, I. (1988). Has the electorate become Thatcherite? In R. Skidelsky, (Ed). *Thatcherism*. London: Chatto & Windus.
- Crewe, I. (1989). Values: the crusade that failed. In D. Kavanagh and A. Seldon, (Eds.). *The Thatcher effect*. Oxford: Oxford University Press.
- Crewe, I. (1996). 1979-1996. In A. Seldon (Ed.). *How Tory governments fall: the Tory party in power since 1783*. London: Fontana.
- Crouch, C. (2004). Post-democracy. Malden, MA: Polity.
- Davies, A. (2017). *The City of London and social democracy: the political economy of finance in Britain, 1959-1979.* Oxford: Oxford University Press.
- Davies, A., Freeman, J. and Pemberton, H. (2018). 'Everyman a capitalist' or 'Free to choose'? Exploring the tensions within Thatcherite individualism. *The Historical Journal*, 61(2), 477-501.
- Davies, P. (2001). Triangulation and the interpretation of elite interview data in the study of the intelligence and security services. *Politics*, 21(1), 73-80.
- De Giorgi, E., Moury, C. and Ruivo, J. P. (2015). Incumbents, opposition and international lenders: governing Portugal in times of crisis. *Journal of Legislative Studies*, 21(1), 54-74.
- Defence Select Committee. (2016). Shifting the goalposts? Defence expenditure and the 2% pledge. House of Commons Defence Select Committee. [Online]. Available at: https://publications.parliament.uk/pa/cm201516/cmselect/cmdfence/494/494.pdf
 . [Accessed 14 March 2018].

- Dempsey, N. (2018). *UK defence expenditure appendix*. House of Commons Library.

 [Online]. Available at:

 https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8175.

 [Accessed 4 September 2019].
- Derrida, J. (1996). *Archive fever: a Freudian impression. London*: University of Chicago Press.
- Desai, R. (1994). Second hand traders in ideas: think tanks and Thatcherite hegemony. *New Left Review*, 203, 27-66.
- DeVore, M. (2019). Producing airpower: the rise and fall of neo-liberalism's defence agenda. *New Political Economy*, 24(6), 873-891.
- Dewan, T. and Dowding, K. (2005). The corrective effect of ministerial resignations on government popularity. *American Journal of Political Science*, 49(1), 46-56.
- Dewan, T. and Myatt, D. P. (2007). Scandal, protection, and recovery in the cabinet.

 American Political Science Review, 101(1), 63-77.
- Dewan, T. and Myatt, D. P. (2010). The declining talent pool of government. *American Journal of Political Science*, 54(2), 267-286.
- Dewan, T. and Myatt, D. P. (2012). Dynamic government performance: honeymoons and crises of confidence. *American Political Science Review*, 106(1), 123-145.
- Dolowitz, D., Marsh, D., O'Neill, F. and Richards, D. (1996). Thatcherism and the 3 'Rs': radicalism, realism and rhetoric in the third term of the Thatcher government. Parliamentary Affairs, 49(3), 456-470.
- Dorey, P. (2009). Individual liberty versus industrial order: Conservatives and the trade union closed shop 1946–90. *Contemporary British History*, 23(2), 221-244.
- Dorey, P. (2014). The legacy of Thatcherism for education polices: markets, managerialism and malice (towards teachers). In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite social and economic policies*.

 Oxford: Oxford University Press.
- Dorman, A. M. (2002). Defence under Thatcher. Basingstoke: Palgrave.
- Downs, A. (1957). An economic theory of democracy. New York: Harper.
- Dubois, E. (2016). Political business cycles 40 years after Nordhaus. *Public Choice*, 166(1), 235-259.
- Dunleavy, P. (1990). Reinterpreting the Westland affair: theories of the state and core executive decision making. *Public Administration*, 68(1), 29-60.

- Ehrman, J. (1995). *The rise of neoconservatism: intellectuals and foreign affairs, 1945-1994*. London: Yale University Press.
- Elli, M. (2015). Callaghan, the British government and the N-Bomb controversy. *Cold War History*, 15(3), 321-339.
- Elmelund-Praestekaer, C. and Emmenegger, P. (2013). Strategic re-framing as a vote winner: why vote-seeking governments pursue unpopular reforms. *Scandinavian Political Studies*, 36(1), 23-42.
- Enos, R. D. and Hersh, E. D. (2015). Party activists as campaign advertisers: the ground campaign as a principal-agent problem. *American Political Science Review*, 109(2), 252-278.
- Ernst, W. (1999). Archival action: the archive as ROM and its political instrumentalization under National Socialism. *History of the Human Sciences*, 12(2), 13-34.
- Evans, E. J. (1997). Thatcher and Thatcherism. London: Routledge.
- Farrall, S. and Hay, C. (2014). Locating 'Thatcherism' in the 'here and now'. In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite economic and social policies*. Oxford: Oxford University Press.
- Farrall, S. and Jennings, W. (2014). Thatcherism and crime: the beast that never roared? In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite economic and social policies*. Oxford: Oxford University Press.
- Farrall, S. Burke, N. and Hay, C. (2015). Revisiting Margaret Thatcher's law and order agenda: The slow-burning fuse of punitiveness. *British Politics*, 11(2), 205-231.
- Field, W. (1997). Policy and the British voter: council housing, social change, and party preference in the 1980s. *Electoral Studies*, 16(2), 195-202.
- Finch, J. (1981). Reorganising the health service. The Modern Law Review, 44(1), 68-76.
- Flinders, M. and Buller, J. (2006). Depoliticisation: principles, tools and tactics. *British Politics*, 1(3), 293-318.
- Francis, M. (2017). Mrs Thatcher's peacock blue sari: ethnic minorities, electoral politics and the Conservative Party, c. 1974-86. *Contemporary British History*, 31(2), 274-293.
- Gamble, A. (1979). The free economy and the strong state: the rise of the social market economy. *Socialist Register*, 16, 1-23.
- Gamble, A. (1983). Thatcherism and Conservative politics. In S. Hall and M. Jacques, (Eds.).

 The politics of Thatcherism. London: Lawrence and Wishart.
- Gamble, A. (1994). The free economy and the strong state. Basingstoke: Macmillan.

- Gamble, A. (2002). Political memoirs. *British Journal of Politics and International Relations*, 4(1), 141-151.
- Gamble, A. (2003). *Between Europe and America: the future of British politics*. Basingstoke: Palgrave Macmillan.
- Gamble, A. (2012). Europe and America. In B. Jackson and R. Saunders, (Eds.). *Making Thatcher's Britain*. Cambridge: Cambridge University Press.
- Gamble, A. (2015). Austerity as statecraft. *Parliamentary Affairs*, 68(1), 42-57.
- Garrett, G. (1992). The political consequences of Thatcherism. *Political Behavior*, 14(4), 361-382.
- Garrett, G. (1998). *Partisan politics and the global economy*. Cambridge: Cambridge University Press.
- Gerring, J. (2004). What is a case study and what is it good for? *American Political Science Review*, 98(2), 341-354.
- Gerring, J. (2010). Causal mechanisms: yes, but.... *Comparative Political Studies*, 43(11), 1499-1526.
- Graham, A. (1997). The UK 1979-95: myths and realities of Conservative capitalism. In C. Crouch and W. Streeck, (Eds.). *Political economy of modern capitalism*. London: Sage.
- Gray, R. (1983). The Falklands factor. In S. Hall and M. Jacques, (Eds.). *The politics of Thatcherism*. London: Lawrence and Wishart.
- Green, E. H. H. (2002). *Ideologies of Conservatism: Conservative political ideas in the twentieth century*. Oxford: Oxford University Press.
- Greenstein, F. I. and Immerman, R. H. (1992). What did Eisenhower tell Kennedy about Indochina? The politics of misperception. *Journal of American History*, 79(2), 568-587.
- Hakhverdian, A. (2010). Political representation and its mechanisms: a dynamic left-right approach for the United Kingdom, 1976-2006. *British Journal of Political Science*, 40(4), 835-856.
- Hall, P. A. (1989). Introduction. In P. A. Hall (Ed.). *The political power of economic ideas:**Keynesianism across nations. Princeton: Princeton University Press.
- Hall, P. A. (1993). Policy paradigms, social learning, and the state: the case of economic policymaking in Britain. *Comparative Politics*, 25(3), 275-296.
- Hall, P. A. and Taylor, R. C. R. (1996). Political science and the three new institutionalisms.

 Political Studies, 44(4), 936-957.

- Hall, S. (1983). The great moving right show. In S. Hall and M. Jacques, (Eds.). *The politics of Thatcherism*. London: Lawrence and Wishart.
- Hall, S. (1988). *The hard road to renewal: Thatcherism and the crisis of the left*. London: Verso.
- Hampshire, E. (2015). Margaret Thatcher's first U-Turn: Francis Pym and control of defence spending, 1979-81. *Contemporary British History*, 29(3), 359-379.
- Hannigan, B. (1998). Assessing the new public management: the case of the National Health Service. *Journal of Nursing Management*, 6(5), 307-312.
- Harker, R. (2019). NHS funding and expenditure. House of Commons Library. [Online].

 Available at:

 https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN00724.

 [Accessed 15 May 2020].
- Harrison, S. (1988). *Managing the National Health Service? Shifting the frontier*. London: Chapman and Hall.
- Haute, E. and Carty, R. K. (2012). Ideological misfits: a distinctive class of party members. *Party Politics*, 18(6), 885-895.
- Hay, C. (1996). Narrating crisis: the discursive construction of the 'Winter of Discontent'. *Sociology*, 30(2), 253-277.
- Hay, C. (2002). Political analysis: a critical introduction. Basingstoke: Macmillan.
- Hay, C. (2008). Constructivist institutionalism. In R. A. W. Rhodes, S. A. Binder and B. A Rockman, (Eds.). *The Oxford handbook of political institutions*. Oxford: Oxford University Press.
- Hay, C. and Farrall, S. (2014). Interrogating and conceptualizing the legacy of Thatcherism.

 In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite social and economic policies*. Oxford: Oxford University Press.
- Hayton, R. (2014). Conservative Party statecraft and the politics of coalition. *Parliamentary Affairs*, 67(1), 6-24.
- Hill, M. and Walker, A. (2014). What were the lasting effects of Thatcher's legacy for social security? The burial of Beveridge? In S. Farrall and C. Hay, (Eds.). The legacy of Thatcherism: assessing and exploring Thatcherite social and economic policies.
 Oxford: Oxford University Press.
- Hindmoor, A. (2004). *New Labour at the centre: constructing political space*. Oxford: Oxford University Press.

- Hobolt, S. and Klemmensen, R. (2008). Government responsiveness and political competition in comparative perspective. *Comparative Political Studies*, 41(3), 309-337.
- Holmes, M. (1989). Thatcherism: scope and limits, 1983-1987. Basingstoke: Macmillan.
- Hood, C. and Lodge, M. (2006). *The politics of public service bargains: reward, loyalty, competence and blame*. Oxford: Oxford University Press.
- Hotson, A. (2014). The 1981 budget and its impact on the conduct of economic policy: was it a monetarist revolution? In D. Needham and A. Hotson, (Eds.). *Expansionary fiscal contraction: the Thatcher government's 1981 budget in perspective*.

 Cambridge: Cambridge University Press.
- Huber, J. D. and Martinez-Gallardo, C. (2008). Replacing cabinet ministers: patterns of ministerial stability in parliamentary democracies. *American Political Science Review*, 102(2), 169-180.
- Iliffe, S. (1983). Dismantling the health service. In S. Hall and M. Jacques, (Eds.). *The politics of Thatcherism*. London: Lawrence and Wishart.
- Indridason, I. H. and Kam, C. (2008). Cabinet reshuffles and ministerial drift. *British Journal of Political Science*, 38(4), 621-656.
- Ingham, G. (1984). *Capitalism divided? The City and industry in British social development.*Basingstoke: Macmillan.
- Jackson, B. (2012). The think-tank archipelago: Thatcherism and neo-liberalism. In B.
 Jackson and R. Saunders, (Eds.). Making Thatcher's Britain. Cambridge: Cambridge
 University Press.
- Jackson, B. (2016). Currents of neo-liberalism: British political ideologies and the New Right, c.1955–1979. *English Historical Review*, 131(551), 823-850.
- Jackson, B. and Saunders, R. (2012). Varieties of Thatcherism. In B. Jackson and R. Saunders, (Eds.). *Making Thatcher's Britain*. Cambridge: Cambridge University Press.
- Jackson, P. M. (1992). Economic policy. In D. Marsh and R. A. W. Rhodes, (Eds.).

 Implementing Thatcherite policies: an audit of an era. Buckingham: Open University

 Press.
- Jacobs, L. R. and Shapiro, R. Y. (2000). *Politicians don't pander: political manipulation and the loss of democratic responsiveness*. Chicago: University of Chicago Press.
- Jacobsen, J. K. (1996). Much ado about ideas: the cognitive factor in economic policy. World Politics, 47(2), 283-310.

- Jacques, M. (1983). Thatcherism breaking out of the impasse. In S. Hall and M. Jacques, (Eds.). *The politics of Thatcherism*. London: Lawrence and Wishart.
- Jessop, B. (2015). Margaret Thatcher and Thatcherism: dead but not buried. *British Politics*, 10(1), 16-30.
- Jessop, B., Bonnett, K., Bromley S. and Ling, T. (1988). *Thatcherism: a tale of two nations*. Cambridge: Polity Press.
- Johnson, C. (1991). The economy under Mrs Thatcher 1979-1990. Penguin Books: London.
- Kaiser, A. (2008). Parliamentary opposition in Westminster democracies: Britain, Canada,
 Australia and New Zealand. *Journal of Legislative Studies*, 14(1-2), 20-45.
- Katsimi, M. and Sarantides, V. (2012). Do elections affect the composition of fiscal policy developed, established democracies? *Public Choice*, 151(1), 325-362.
- Kavanagh, D. (1990). *Thatcherism and British politics: the end of consensus*? Oxford: Oxford University Press.
- Keegan, W. (1984). Mrs Thatcher's economic experiment. Penguin: Harmondsworth.
- Kelly, R. N. (1989). *Conservative Party conferences: the hidden system*. Manchester: Manchester University Press.
- Kelly, S. (2020). 'The Anglo-Irish Agreement put us on side with the Americans': Margaret Thatcher, Anglo-American relations and the path to the Anglo-Irish Agreement, 1979-1985. Contemporary British History, 34(3), 433-457.
- Kemp, P. A. (2014). Commentary: Thatcherism and housing policy. In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite social and economic policies*. Oxford: Oxford University Press.
- Kerr, P. (2001). Postwar British politics: from conflict to consensus. London: Routledge.
- Kerr, P. and Marsh, D. (1999). Explaining Thatcherism: towards a multidimensional approach. In D. Marsh, J. Buller, C. Hay, J. Johnston, P. Kerr, S. McAnulla, and M. Watson, (Eds.). *Postwar British politics in perspective*. Cambridge: Polity Press.
- Klein, R. (2001). The new politics of the NHS. Harlow: Pearson Prentice Hall.
- Klomp, J. and de Haan, J. (2011). Do political budget cycles really exist? *Applied Economics*, 45(3), 329-341.
- Kölln, A-K. and Polk, J. (2017). Emancipated party members: Examining ideological incongruence within political parties. *Party Politics*, 23(1), 18-29.
- Kousser, T., Lewis, J. B. and Masket, S. E. (2007). Ideological adaptation? The survival instinct of threatened legislators. *The Journal of Politics*, 69(3), 828-843.

- Laver, M. and Schofield, N. (1990). *Multiparty government: the politics of coalition in Europe*. Oxford: Oxford University Press.
- Laver, M. and Sergenti, E. (2012). *Party competition: an agent-based model*. Princeton, N. J.: Princeton University Press.
- Laver, M. and Shepsle, K. A. (1996). *Making and breaking governments: cabinets and legislatures in parliamentary democracies*. Cambridge: Cambridge University Press.
- Leech, B. (2002). Asking questions: techniques for semi-structured interviews. *Political Science & Politics*, 35(4), 665-668.
- Lehrer, R. (2012). Intra-party democracy and party responsiveness. *West European Politics*, 35(6), 1295-1319.
- Lewis, V. (2017). The president and the parties' ideologies: party ideas about foreign policy since 1900. *Presidential Studies Quarterly*, 47(1), 27-61.
- Leys, C. (1985). Thatcherism and British manufacturing: a question of hegemony. New Left Review, 151, 5-25.
- Lilleker, D. (2003). Interviewing the political elite: navigating a potential minefield. *Politics*, 23(3), 207-214.
- Longstreth, A. (1979). The City, industry and the state. In C. Crouch, (Ed.). State and economy in contemporary capitalism. London: Croon Helm.
- Low, M. A. (2009). *The evolution of the Conservative Party organisation: renewal and the re-characterisation of local autonomy*. Unpublished: University of Sheffield. PhD.
- Ludlam, S. (1992). The gnomes of Washington: four myths of the 1976 IMF crisis. *Political Studies*, 40(4), 713-727.
- Mair, P. (2006). Ruling the void? The hollowing of western democracy. *New Left Review*, 42, 25-51.
- Mair, P. (2008). The challenge to party government. *West European Politics*, 31(1-2), 211-234.
- Mair, P. (2013). Ruling the void? The hollowing of western democracy. London: Verso.
- Manoff, M. (2004). Theories of the archive from across the disciplines. *Libraries and the Academy*, 4(1), 9-25.
- Margaret Thatcher Foundation. (2017). *Archive*. [Online]. Margaret Thatcher Foundation. Available at: https://www.margaretthatcher.org/archive [Accessed 29 March 2017].
- Marinov, R., Nomikos, W. G. and Robbins, J. (2015). Does electoral proximity affect security policy? *The Journal of Politics*, 77(3), 762-773.

- Marquand, D. (1988). *The unprincipled society: new demands and old politics*. London: Fontana.
- Marsh, D. (1995). Explaining "Thatcherite" policies: beyond uni-dimensional explanation.

 Political Studies, 43, 595-613.
- Marsh D. and Rhodes, R. A. W. (1992a). The implementation gap: the explaining policy change and continuity. In D. Marsh and R. A. W. Rhodes, (Eds.). *Implementing Thatcherite policies: an audit of an era*. Buckingham: Open University Press.
- Marsh, D. and Rhodes, R. A. W. (1992b). *Policy networks in British government*. Oxford: Clarendon Press.
- May, J. D. (1973). Opinion structure of political parties: the special law of curvilinear disparity. *Political Studies*, 21(2), 135-151.
- McKibbin, R. (1975). The economic policy of the second Labour government 1929-1931.

 Past and Present, 68(1), 95-123.
- Middlemas, K. (1994). The party, industry and the city. In A. Seldon and S. Ball, (Eds.).

 *Conservative century: the Conservative Party since 1900. Oxford: Oxford University Press.
- Middleton, R. (1983). The Treasury and public investment: a perspective on inter-war economic management. *Public Administration*, 61(4), 351-370.
- Miller, G. and Schofield, N. (2003). Activists and party realignment in the United States.

 *American Political Science Review, 97(2), 245-260.
- Moon, J. (1994). Evaluating Thatcher: sceptical versus synthetic approaches. *Politics*, 14(2), 43-49.
- Moore, C. (2014). *Margaret Thatcher. The authorized biography: volume one*. London: Penguin.
- Moore, L. (2018). Policy, office and votes: Conservative MPs and the Brexit referendum.

 *Parliamentary Affairs, 71(1), 1-27.
- Mullard, M. (1993). The politics of public expenditure. London: Routledge.
- Murie, K. (2014). The housing legacy of Margaret Thatcher. In S. Farrall and C. Hay, (Eds.).

 The legacy of Thatcherism: assessing and exploring Thatcherite economic and social policies. Oxford: Oxford University Press.
- National Archives. (2009). *Newly released records from 1979*. [Online]. The National Archives. Available at:
 - https://webarchive.nationalarchives.gov.uk/+/http://www.nationalarchives.gov.uk/
 /news/408.htm [Accessed 23 July 2020].

- National Archives. (2016). *Prime Minister's papers from 1989 and 1990 released*. [Online].

 The National Archives. Available at:

 https://webarchive.nationalarchives.gov.uk/+/http://www.nationalarchives.gov.uk/

 /about/news/prime-ministers-papers-from-1989-and-1990-released/ [Accessed 23 July 2020].
- Needham, D. (2014). The 1981 budget? "a Dunkirk, not an Alamein?" In D. Needham and A. Hotson, (Eds.). Expansionary fiscal contraction: the Thatcher government's 1981 budget in perspective. Cambridge: Cambridge University Press.
- Needham, D. (2014a). *UK monetary policy from devaluation to Thatcher 1967-82*.

 Basingstoke: Palgrave Macmillan.
- Needham, D. (2014b). The 1981 budget: "a Dunkirk, not an Alamein? In D. Needham and A. Hotson, (Eds.). Expansionary fiscal contraction: the Thatcher government's 1981 budget in perspective. Cambridge: Cambridge University Press.
- Neep, D. (2018). Narrating crisis, constructing policy: economic ideas and institutional change in Syria. *New Political Economy*, 23(4), 495-511.
- Nordhaus, W. D. (1975). The political business cycle. *Review of Economic Studies*, 42(2), 169-190
- Norpoth, H. (1987). The Falklands war and government popularity in Britain: Rally without consequence or surge without decline? *Electoral Studies*, 6(1), 3-16.
- Norris, P. (1995). May's law of curvilinear disparity revisited: leaders, officers, members and voters in British political parties. *Party Politics*, 1(1), 29-47.
- Norton, P. (2008). Making sense of opposition. *Journal of Legislative Studies*, 14(1-2), 236-250.
- Onslow, S. (1997). Backbench debate within the Conservative Party and its influence on British foreign policy, 1948-57. Basingstoke: Macmillan.
- Ortolano, G. (2019). *Thatcher's progress: from social democracy to market liberalism*through an English new town. Cambridge: Cambridge University Press.
- Parker, D. (2012). The official history of privatisation. Volume II: popular capitalism, 1987-97. Routledge: Abingdon.
- Peden, G. C. (1984). The "Treasury View" on public works and employment in the interwar period. *Economic History Review*, 37(2), 167-181.
- Pedrazzani, A. (2017). Wasting or saving time? How government and opposition parties use time during legislative debates. Evidence from the Italian case. *Journal of Legislative Studies*, 23(3), 439-464.

- Peters, B. G. (2009). Institutionalism. In M. Flinders, A. Gamble, C. Hay and M. Kenny, (Eds.).

 The Oxford handbook of British politics. Oxford: Oxford University Pres.
- Phillips, L. (1998). Hegemony and political discourse: the lasting impact of Thatcherism. *Sociology*, 32(4), 847-867.
- Pierson, P. (1995). *Dismantling the welfare state? Reagan, Thatcher and the politics of retrenchment*. Cambridge: Cambridge University Press.
- Pierson, P. (2004). *Politics in time: history, institutions and social analysis*. Princeton: Princeton University Press.
- Ptak, R. (2009). Neoliberalism in Germany: revisiting the ordoliberal foundations of the social market economy. In P. Mirowski and D. Plehwe, (Eds.). *The road from Mont Pèlerin: the making of the neoliberal thought collective*. Cambridge, MA: Harvard University Press.
- Rawsthorne, P. (2018). Implementing the Ridley Report: the role of Thatcher's policy unit during the Miners' Strike of 1984–1985. *International Labor and Working Class History*, 94, 156-201.
- Rhodes, R. A. W. (1992). Local government finance. In D. Marsh and R. A. W. Rhodes, (Eds.). *Implementing Thatcherite policies: an audit of an era*. Buckingham: Open University Press.
- Richards, D. (1996). Elite interviewing: approaches and pitfalls. *Politics*, 16(3), 199-204.
- Riddell, P. (1989). The Thatcher decade. Oxford: Basil Blackwell.
- Riker, W. H. (1986). The art of political manipulation. New Haven: Yale University Press.
- Robinson, W. and Harris, J. (2000). Towards a global ruling class? Globalisation and the transnational capitalist class. *Science and Society*, 64(1), 11-54.
- Rogoff, K. (1990). Equilibrium political budget cycles. *American Economic Review*, 80(1), 21-36.
- Rosamund, B. (1996). Whatever happened to the enemy within? Contemporary conservatism and trade unionism. In S. Ludlam and M. J. Smith, (Eds.).

 Contemporary British conservatism. Basingstoke: Macmillan.
- Rose, R. (1984). Do parties make a difference? London: Macmillan.
- Sánchez-Cuenca, I. (2004). Party moderation and politicians' ideological rigidity. *Party Politics*, 10(3), 325-342.
- Sanders, D., Ward, H., Marsh, D. and Fletcher, T. (1987). Government popularity after the Falklands war: a reassessment. *British Journal of Political Science*, 17(3), 281-313.

- Sanders, E. (2008). Historical institutionalism. In R. A. W. Rhodes, S. A. Binder and B. A. Rockman, (Eds.). *The Oxford handbook of political institutions*. Oxford: Oxford University Press.
- Sartori, G. (1966). Opposition control. Problems and prospects. *Government and Opposition*, 1(2), 149-154.
- Schmidt, V. A. (2002). Does discourse matter in the politics of welfare state adjustment? Comparative Political Studies, 35(2), 168-193.
- Schmidt, V. A. (2008). Discursive institutionalism: the explanatory power of ideas and discourse. *Annual Review of Political Science*, 11, 303-326.
- Schmidt, V. A. (2014). Speaking to the markets or to the people? A discursive institutionalist analysis of the EU's sovereign debt crisis. *British Journal of Politics and International Relations*, 16(1), 188-209.
- Schmidt, V. A. (2016). Reinterpreting the rules 'by stealth' in times of crisis: a discursive institutionalist analysis of the European Central Bank and the European Commission. *West European Politics*, 39(5), 1032-1052.
- Schofield, N. and Sened, I. (2005). Modelling the interaction of parties, activists and voters: why is the political center so empty? *European Journal of Political Research*, 44(3), 355-390.
- Schumacher, G., De Wardt, M., Vis, B. and Klitgaard, M. B. (2015). How aspiration to office conditions the impact of government participation on party platform change.

 *American Journal of Political Science, 59(4), 1040-1054.
- Shepard, T. (2010). "History is past politics"? Archives, "Tainted Evidence", and the return of the state. *American Historical Review*, 115(2), 474-483.
- Shepsle, K. A. (2003). Losers in politics (and how they sometimes become winners): William Riker's heresthetic. *Perspectives on Politics*, 1(2), 307-315.
- Shock, M. (2020). 'To address ourselves "violently" towards the present as it is': Stuart Hall,

 Marxism Today and their reception of Antonio Gramsci in the long 1980s.

 Contemporary British History, 34(2) 251-272.
- Sinn, D. and Soares, N. (2014). Historians' use of digital archival collections: The web, historical scholarship, and archival research. *Journal of the Association for Information Science and Technology*, 65(9), 1794-1809.
- Smith, D. (1992). From boom to bust: trial and error in British economic policy. London: Penguin.

- Smith, M. J. (2015). From consensus to conflict: Thatcher and the transformation of politics.

 British Politics, 10(1), 64-78.
- So, F. (2018). Attract voters or appease activists? Opposition parties' dilemma and party policy change. *Journal of Theoretical Politics*, 30(2), 246-266.
- Soroka, S. N. and Wlezien C. (2018). Opinion-policy dynamics: public preferences and public expenditure in the United Kingdom. *British Journal of Political Science*, 35(4), 665-689.
- Steber, M. (2018). Fundamentals at stake: the Conservatives, industrial relations and the rhetorical framing of the miners' strike in 1984/1985. *Contemporary British History*, 32(1), 60-77.
- Stedman-Jones, D. (2012). *Masters of the universe: Hayek, Friedman and the birth of neoliberal politics*. Princeton: Princeton University Press.
- Stevens, C. (2002). Thatcherism, Majorism and the collapse of Tory statecraft.

 Contemporary British History, 16(1), 119-150.
- Strom, K. (1990). A behavioural theory of competitive party politics. *American Journal of Political Science*, 34(2), 565-598.
- Sutcliffe-Braithwaite, F. (2012). Neo-liberalism and morality in the making of Thatcherite social policy. *The Historical Journal*, 55(2), 497-520.
- Tansey, O. (2007). Process tracing and elite interviewing: a case for non-probability sampling. *Political Science & Politics*, 40(4), 765-772.
- Thain, C. (1984). The Treasury and Britain's decline. Political Studies, 32(4), 581-595.
- Thain, C. and Wright, M. (1995). *The Treasury and Whitehall: the planning and control of public expenditure, 1976-1993*. Oxford: Oxford University Press.
- Thompson, H. (1996). *The British government and the European Exchange Rate Mechanism,* 1979-1994. Pinter: London.
- Thompson, H. (2014). The Thatcherite economic legacy. In S. Farrall and C. Hay, (Eds.). *The legacy of Thatcherism: assessing and exploring Thatcherite social and economic policies*. Oxford: Oxford University Press.
- Tiganas, C. and Peptine, A. (2012). Political business cycle and economic instability a literature review. *CES Working Papers*, Issue 4, 853-865.
- Ting, M. M. (2002). A theory of jurisdictional assignments in bureaucracies. *American Journal of Political Science*, 46(2), 364-378.
- Tomlinson, J. (2007). Mrs Thatcher's macroeconomic adventurism, 1979-1981, and its political consequences. *British Politics*, 2(1), 3-19.

- Tomlinson, J. (2012). Thatcher, monetarism and the politics of inflation. In B. Jackson and R. Saunders, (Eds.). *Making Thatcher's Britain*. Cambridge: Cambridge University Press.
- Tsebelis, G. and Chang, E. C. C. (2004). Veto players and the structure of budgets in advanced industrialised countries. *European Journal of Political Research*, 43(3), 449-476.
- Turner, E., Robinson, E. and Neely, M. (2011). *Catalogue of the papers of (Richard Edward) Geoffrey Howe, Baron Howe of Aberavon, 1867-2005*. [Online]. Bodleian Libraries.

 Available at:

 http://www.bodley.ox.ac.uk/dept/scwmss/wmss/online/modern/howe/howe.html
 [Accessed 29 March 2017].
- Tuttnauer, O. (2018). If you can beat them, confront them: party-level analysis of opposition behavior in European national parliaments. *European Union Politics*, 19(2), 278-298.
- Vinen, R. (2009). *Thatcher's Britain: the politics and social upheaval of the Thatcher era*. London: Simon & Schuster.
- Vinen, R. (2012). Thatcherism and the Cold War. In B. Jackson and R. Saunders, (Eds.).

 Making Thatcher's Britain. Cambridge: Cambridge University Press.
- Wagner, M. and Meyer, T. M. (2014). Which issues do parties emphasise? Salience strategies and party organisation in multi-party systems. *West European Politics*, 37(5), 1019-1045.
- Walsh, J. (2000). When do ideas matter?: explaining the successes and failures of Thatcherite ideas. *Comparative Political Studies*, 33(4), 483-516.
- Ward, H. and Samways, D. (1992). Environmental policy. In D. Marsh and R. A. W. Rhodes, (Eds.). *Implementing Thatcherite policies: an audit of an era*. Buckingham: Open University Press.
- Whiteley, P., Seyd, P. and Billinghurst, A. (2006). *Third force politics: the Liberal Democrats at the grassroots*. Oxford: Oxford University Press.
- Whiteley, P., Seyd, P. and Richardson, J. (1994). *True blues: the politics of Conservative Party membership*. Oxford: Clarendon Press.
- Wickham-Jones, M. (1997). Right turn: a revisionist account of the 1975 Conservative leadership election. *Twentieth Century British History*, 18(1), 74-89.
- Williams, L. K. (2014). Hawks, doves, and opportunistic opposition parties. *Journal of Peace Research*, 51(1), 111-125.

- Williamson, A. (2015). *Conservative economic policy-making and the birth of Thatcherism*.

 Basingstoke: Palgrave Macmillan.
- Wistow, G. (1992). The National Health Service. In D. Marsh and R. A. W. Rhodes, (Eds.). *Implementing Thatcherite policies: an audit of an era*. Buckingham: Open University Press.
- Wood, S. (2001). Business, government, and patterns of labor market policy in Britain and the Federal Republic of Germany. In P. A. Hall and D. W. Soskice, (Eds.). *Varieties of capitalism: the institutional foundations of comparative advantage*. Oxford: Oxford University Press.
- Yee, A. (1996). The causal effect of ideas on policies. *International Organisation*, 50(1), 69-108.