

## **Neoliberalism in Thatcherism: A Critical Consideration of Neoliberal Urban Policy under Thatcher 1979-1990**

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### **Abstract:**

This article highlights the Thatcher era in British politics mainly the urban policy. This era is defined by most academics as the “*Thatcherite*” era and as a revolution in British history because of Margaret Thatcher’s long leadership of the Conservative party, first as leader of the opposition between 1975 and 1979, then as prime minister between 1979 and 1990. This decade will always be remembered in Great Britain as the decade of “*Thatcherism*” and the rising of neoliberalism. Thatcher attracted attention because of her promotion of neoliberalism as a new concept for ruling the country. The widespread use of Thatcherism confirms this view. Margaret Thatcher not only presided over Conservatives success, she personified it. Her election as leader of the conservative party in 1975 came to stand for a new neoliberal ideology, and a distinctive political style and programme of policies.

**Key Words:** neoliberalism, Thatcherism, capitalism, urban policy, city

## الملخص:

يسلط هذا المقال الضوء على حقبة تشر في السياسة البريطانية وخاصة السياسة الحضرية. يعرف معظم الأكاديميين هذه الحقبة لها حقبة " تشرت " كذلك كثورة في التاريخ البريطاني بسبب قيادة مارغريت تشر الطويلة لحزب المحافظين، أولاً كزعيمة للمعارضة بين عامي 1975 و 1979، ثم كرئيس للوزراء بين عامي 1979 و 1990. هذا العقد يتم تذكره دائماً في بريطانيا العظمى على أنه عقد "التاتشرية" وصعود الليبرالية الجديدة. جذبت تشر الانتباه بسبب ترويجها لليبرالية الجديدة كمفهوم جديد لحكم البلاد. الاستخدام الواسع النطاق للتاتشرية يؤكد هذا الرأي. مارغريت تشر لم تترأس نجاح المحافظين فحسب، بل جسدت. جاء انتخابها كزعيم للحزب المحافظ في عام 1975 إلى قيام أيديولوجية نيوليبرالية جديدة، وأسلوب سياسي متميز ويرمح للسياسات خاصة لنسبة للتطور الحضري و المدينة .

**كلمات دالة:** النيوليبرالية، التاتشرية، الرأسمالية، السياسة الحضرية، المدينة.

## 1. Introduction

One of the most striking revolutions within the economic thought since the 1970s was the domination of the so called « neoliberal » trend, which gave birth to a series of policies of the same name. It first originated in Great Britain and then spread to the United States, later in developing countries under the auspices of The World Bank and The International Monetary Fund (IMF).

This new trend came as a reaction to previous policies which prevailed before. Neoliberalism was adopted by the end of the 1970s in both Britain and the United States with a strong will to reform and change. Margaret Thatcher, who was elected British Prime Minister in May 1979, was determined to abandon Keynesianism and give a new breath to the British economic policy by dismantling the welfare state and enhancing a policy of privatization of public enterprises,

encouraging entrepreneurial initiatives and creating a suitable environment for foreign investment.

The influence of the implementation of neoliberal policy was very obvious in the city conception; it resulted in big changes and alterations at the level of urban planning and house building conception due to the new way of business and commerce management. At the same time, through the readings to accomplish this piece of work, it is obvious to the researcher that all what has been written about neoliberalism is critical as the ideology that emphasized as class interest making the poor poorer with the spread of economic liberalism. This policy has been accused by many scholars as being in a close relationship to the different financial crisis all over the world and of being the reason of the international economic collapse. Neoliberalism and Thatcherism have been put guilty of being the direct reason for disintegrating the collective identity and promoting individualism. Is the concept of neoliberalism becoming an obstacle to the understanding of the twenty first century reality?

One of the reasons that motivates for the challenge of studying urban policy is that it can't be isolated; it is interrelated with many social phenomena and reveals the dark side of capitalism through the myth of neoliberalisation. How was this neoliberalisation accomplished during Thatcher's governing?

## **2. What is Neoliberalism?**

The concept "Neoliberalism" is currently used nowadays, though there is no real consensus, neither on its definition nor on its theoretical origins. However, it is then imperative to give a reflexion upon it, so as to better figure out what has always been seen as a new economic tendency by some, also as an ameliorated form of liberalism by others. **Neoliberalism** can be defined as a political philosophy supporting economic liberalisation, free trade and open markets, privatization, deregulation, paving the way to the private sector to have an important role in modern society. It is perceived as

an alternative policy agenda to replace great society liberalism, British social democracy and Keynesian economic policy. It represents new approaches to macroeconomic management and the deregulation of financial markets and industry.

The majority of definitions attributed to “neoliberalism” highlight that the concept “neoliberalism” implies a shift of economy from the public control to the private one. It is associated to *laissez faire* to highlight the supremacy of market freedom. It is also considered as the “Third” or “Middle way” between the conflicting classical liberalism and capitalism with the aim to avoid the repeating of the economic failure of the 1930s<sup>1</sup>. The concept made its way through a moderate form of liberalism to assume the meaning of a radical capitalistic set of ideas. However, some schools like the London School of Economics\* underline the acceptance of capitalism as a general norm of life in the era of neoliberalism. They accept the need for forms of intervention and social provision to support the state’s primary role as sustainer of the market order<sup>2</sup>. Neoliberal theory tended to promote a market economy under the guidance and rules of a strong state, a model that came to be known within academics and economists as the social market economy.

Neoliberalism appeared as a new trend in economy and started to come to the surface by the end of the forties when liberal thought<sup>1</sup>. Keynesian theories and principles based on the classical theories of Karl Marx. The concept of neoliberalism proved difficult to define given its conceptual flexibility and can be adapted to other doctrines like Liberalism, Conservatism and even Labour Socialism. The concept advocates personal freedom and supported free market principles with a restricted intervention of the state. By the creation of the Mont Pelerin Society F.A. Hayek wanted to engage in a battle to put an end to state control over business and centralized state planning. In the US, the concept also appeared in post war period the

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\* Founded in 1895 by intellectual socialists like Graham Wallas and George Bernard Shaw for the betterment of the society

possible alliance with the Soviet Union even after the war raised susceptibility within the liberal think-tanks who decided to enhance their power. Milton Friedman took the responsibility to make the intellectual entourage aware of the dangers of state interventionists and a mixed economy.

The usage of the concept heavily declined in the 1960s to be later reintroduced in the 1980s in a strong link with Augusto Pinochet's economic reforms in Chile. Consequently, critics of market reform gave it a negative connotation and it shifted in meaning from a moderate form of liberalism to a more radical and *laissez-faire* capitalist set of ideas. Scholars now tended to associate it to a new meaning as a common usage into the English-language study of political economy; used now mainly by those who are critical of legislative initiatives enhancing free trade, deregulation, privatization, and a reduction in government control of the economy.

Neoliberalism can be viewed thus as the concept basing the philosophy that drives and underpins economic globalization, with a strong belief in the free market with minimum barriers to the flow of goods, services and capital. It is an obvious extension of the traditional liberal philosophy supporting a separation of politics and economics arguing that markets should be "free" from government interference. Four principles embody this concept:

a. Economic development is paramount: the main priority for corporations and their agents is to get an economic advantage and to be free to do whatever can secure a free market.

b. All nations whether rich or poor may benefit from free trade because every nation has a comparative advantage.

c. Reduction of government spending because of its inefficiency sometimes, though it is argued by other neoliberals that it is not always a waste.

d. Individual responsibility replaces the concepts of public goods and community in the distribution of economic goods.

The use of the concept varies in economics from its use in politics. In economics, it refers to free the economy by removing restrictions to what market actors can do paving the way to a laissez-faire atmosphere for a better economic development. In other words it represents an approach to economic and social studies in which the control of economic factors shifts from the public sector to the private one. Based on neoclassical economics principles, neoliberalism suggests the government reduction of deficit spending, limiting subsidies, broadening the tax base by reforming the tax law, removing fixed exchange rates, limiting protectionism by opening up markets to trade, privatizing state-run businesses, and finally allowing private property and backing deregulation.

### **3.Urban Neoliberalism and Neoliberal City**

In policy making, changes are motivated by the practices and the dealing with an urban environment constantly changing for several reasons as changing technologies and lifestyles, migration patterns, economic specialization and development. It is not the macro-economy and political preferences which shape the residents wish to demand for an ordered urban physical environment.

Cities are dense collection of people, houses, groups, buildings and infrastructures. People in those cities have different kinds of activities: residential- religious- productive-military-symbolic- consumerist-leisure and so on. These activities have to be sorted into different spaces for a good organization of the area, because dense interactions create many conflicts and problems of organization. Within all this mess politics is shaped so as to serve those people who have a wide variety of interests and preferences<sup>3</sup>. These groups of people may include formal institutions, community groups, social movements... Land use is an important driving force in government authority over cities, regulations changes like environmental effects, social density...give more consideration to land use and the government power<sup>4</sup>. This was called by Peck ‘space neoliberalisation’.

Cities have moved from a managerial role under Keynesianism to an entrepreneurial one under neoliberalism<sup>5</sup>. The concept of urban neoliberalism deals with the geographical aspect or view of neoliberalism. It reveals the relationship between space and neoliberal character and also with the strategic role of cities in the reshaping of political and economic space. Neoliberalism was becoming step by step the most dominant ideology shaping the world's politics and living style.

The neoliberal city may be defined as a region or a city with a weak public sector and state intervention and with extensive privatization and liberalization of market<sup>6</sup>. The withdrawal of the state fostered various types of entrepreneurial or competitive policy forms<sup>7</sup>. The neoliberal city is an area where new institutions and public-private partnership emerged, all these motivated by competition and reconfiguration of local government intervention by reforms in allowing a tight control of public spending and avoiding investment in social housing and new public sector jobs. The neoliberal city is characterized also by industrial urbanization.

The concept of urban neoliberalism explores its role in the process of urban restructuring as an economic and political geography project<sup>8</sup>. Many scholars were interested in exploring and theorizing the geographical interaction between neoliberalism and urban restructuring, notably Nil Brener and Nik Theodore together with Peck and Tickel<sup>9</sup>. The motivation of the neoliberal state, to promote urban development, motivated planners to opt for good solutions in order, to ensure a balanced growth of urban development. However, planners had chosen to keep away of both politics and markets\*.

Urban public planning is considered as a threat to market mechanisms and to private initiatives and efficient allocation of resources. The assumption of neoliberalism is that all economic and social problems could be solved thanks to market; though state failure is worse than market failure<sup>10</sup>. Planning scholars relate neoliberalism

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\*In order to put their solutions into practice, planners agreed for the transfer of tasks argued for the transfer of tasks from markets to public authorities though this meant political interference in professional affairs

to social geography, public administration and urban studies, and need to give importance to the neoliberal discourse for many reasons: First, neoliberalism sets new principles for studying and analyzing concept, markets like globalization, depolitisation, welfare state, market liberalization. These concepts are also useful in planning theory. Secondly, neoliberalism aims at transforming the public sector through comprehensive changes of organizations and institutions that are the framework of public planning, and finally neoliberals put into practice a number of planning oriented urban policies.

The emergent neoliberalism had with no doubt an effect on the inherited cities and landscapes. Cities have become strategic and crucial areas where neoliberal initiatives have been put into practice (Harvey 1989). Intense debates and discussions tried to answer questions about the future of the emerging neoliberal ideology and its compatibility with urban environment provided with the political and ideological strategies of the time. Harvey has his own view upon an alternative urban future:

“The problem is to devise a geopolitical strategy of interurban linkage that mitigates interurban competition and shifts...The transformation in urban governance in late capitalism horizons away from the locality and into a more generalisable challenge to capitalist uneven development...A critical perspective on urban entrepreneurialism indicates not only its negative impacts but its potentiality for transformation into a progressive urban corporatism, armed with a keen geopolitical sense of how to build alliances and linkages across space in such a way as to mitigate if not challenge the hegemonic dynamic of capitalist accumulation to dominate the historical geography of social life.”<sup>11</sup>

#### **4. Urban Policy in Britain During the pre Thatcher Government:**

During the 1970s new expectations appeared, though much had been accomplished in the previous decades. The country was changing politically and new voices rose calling for the abolition of what has been called “the welfare state” and for retiring power to the state and giving it to markets. Urban planning policies always change according to the new political trends followed by the government; the last two



decades of the twentieth century witnessed a big change in urban policy.

Urban policy of the 1970s was meant to address four major problems: the increasing urban poverty, housing needs, Job-loss in the inner city areas, low income earners and unemployment, the concentration of racial minorities in major central centres, the significant change after post war policy was the shift from physical redevelopment to the emphasis on urban poverty and economic revival. Thus, the government started to give more importance to inner cities; this was with the 1977 white paper: Policy for the Inner Cities. In order to regenerate those deprived inner areas a revision of the urban programme was imperative, the strategy followed was the initiation of the Partnership Programme<sup>12</sup>. To reinforce this strategy another Act was promulgated in 1978; The Inner Urban Areas Act its issue was to expand provisions of funds to private companies in conjunction with the urban programme and the government's mandate for economic regeneration.

With the partnership programme seven distressed urban areas with considerable decline were targeted: The London Docklands, Hackney-Islington, Lambeth Newcastle- Gateshead, Manchester, Salford, Liverpool and Birmingham were the areas concerned by this experiment. This approach was criticized at the level of funding distribution and management of partnerships also.

The first objective of the partnership was to manage and direct the resources and efforts of all the parts involved in it in the areas on inner city, which were really in a critical need of redevelopment. Private investment initiated as a new approach for redevelopment in the late 1970s, it could obtain significant capital guarantee of more regeneration initiatives in the following decade<sup>13</sup>.

Some scholars suggest that what has been called regeneration and restructuring of urban policy is nothing more than the continuity of capitalistic political decision making. Capitalism has always been

present and the regeneration of the late 1970s had only a marginal impact on local economies of different cities in England. This fact induced a social disorder in the form of social riots which are always linked to poverty inequalities and social polarization. At this level, some questions need to be asked: What kind of city people would like to live in? Is the change necessary? Are the people conscious of transformation legacies? How did the new government remedy to the chaotic situation of the country?

## 5. Neoliberal Urban Policy during the 1980s:

Great changes in government policies directing urban planning have been noticed in the 1980s. The shift to market-based regeneration with the 1977 White Paper “Policy for the Inner Cities” defending the argument that the decline of economic establishment was the main reason for the deterioration of inner cities<sup>14</sup>. The identified programmes and strategies was the possibility of the inclusion of all sectors public and private. Based on the assumption that central government could not provide all the resources necessary for urban regeneration, the notions of *Partnership* and *Leverage* for commercial development appeared. These resulted in the consolidation of the culture of enterprise, the tendency suggested and implemented by Thatcher. The two most significant initiatives that accelerated the process of urban regeneration were the UDC (The Urban Development Corporations) and the Enterprise Zones, those were in conjunction with urban development and Urban Regeneration Grants<sup>15</sup>.

This approach led by the conservatives during the 1980s had its imperfections and mistakes. However it could reconfigure at a large scale the urban structure of those areas suffering from economic decline which was the result of deindustrialization and their shift away from manufacturing led economy. Urban regeneration which started at small paces in the 1980s developed a rapid growth in the property market.

## 5.1- Urban Development Corporations (UDCs)

UDCs were set in the most depressed areas to promote physical and economic renewal in those areas bypassing the local authorities. The London Docklands Development Corporation (LDDC), the Central Manchester and the Maryside were among the paramount ones largely investing in new infrastructure projects. Among its great realizations: the Canary Wharf\*, though it couldn't achieve the project of new private offices development, which started collapsing in the market.

The UDCs (Urban Development Corporations) represented the main core of urban regeneration of Britain's policy during the 1980s. Their role was to bring land and buildings into effective use, to help in the development of existing industries and new ones, to permit an attractive environment and to ensure social help especially housing facilities, consequently encouraging people to live in the area<sup>16</sup>.

By securing the development of land and property, the regeneration of deteriorated areas would be accomplished. Michael Heseltine the Secretary of State of Environment was the responsible for the creation of the UDCs project. He perceived the failure of past urban regeneration efforts as a product of public sector-driven policies. The UDCs were vested with decisive powers and substantial annual funding enabling the physical regeneration of land and buildings in specific areas<sup>17</sup>.

The UDCs enabled projects to get grant planning permission within the designated areas. They may also provide grants and financial aid to private developers. Similarly, they have the responsibility for developing the infrastructure resources, notably water, gas, electricity

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\* Canary Warf takes its name from the quay where fruit and vegetable from the Medetirranian and Canary Islands was once unloaded, the disused docklands site formed by a loop in the Thames was turned into a second financial district to rival the city of London after 1987. Today Canary Wharf's cluster of skyscrapers in east London is home to some of the world's biggest banks, such as Citigroup and HSBC (The Guardian, Julia Kollwe, January, 28<sup>th</sup>, 2015).

in the designated area. This was important so as to attract the private sector, which was believed to be the primary means for securing urban regeneration. However, neither the private sector strategic plan was making authority, nor they were bound to plans created by local authorities<sup>18</sup>.

The UDCs are considered as the responsible for the promotion of partnership frameworks and regeneration projects. One may not deny the physical improvement of the areas brought by the UDCs particularly LDDC. The LDDC was competing with other similar organizations in other cities like Manchester, Liverpool, Birmingham, Glasgow and others. However, the major problem was that it largely contributed to the development of an area but not its regeneration creating then socio-economic tensions and problems in the areas where luxurious new offices were not created. In other words, the building of houses all alongside the river Thames attracted residents from other areas who were lured by the cheap price of the houses. These were followed by the creation of shops and bars and restaurants; consequently, the LDDC contributed to the boom of the houses price in the late nineties. Indeed, the opportunity to buy houses at a discount price led to a number of abuses. The LDDC was finally wounded in March 31<sup>st</sup> 1998<sup>19</sup>.

The argument was that this development created an area of extreme wealth ignoring the neighbouring areas which were left suffering a terrible poverty. This led to the project abandoning by the late 1980s, as the UDCs were expensive funds. Later by the 1990s, the British government became more pragmatic and the neoliberal agenda was softened accepting to work with Labour controlled local authorities, these were considered as full partners in the regeneration process but with a limited power. These councils did not have all allowance in the process; however they were of a great help in community issues like education, health and social welfare<sup>20</sup>.

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## **5.2- Enterprise Zone**

By the mid 1980s, eleven enterprise zones were designated in the UK; this strategy was to create aesthetic creativity. The standard development control regulations were well set. The standards for access and height and land were specified. The consent for numerous development projects was quickly provided because of the simplified planning regime of the designated areas. This was the fact that lured developers and investors.

The enterprises created were given consent to work in areas considered of physical and economic decline, where economic activity couldn't be raised or sustained by conventional policy. At the same time, in order to test the efficiency of those enterprise zones approach, they were located throughout the country in areas with different circumstances. In addition, economic incentives were also offered, such as relief from development land taxes for a given number of years. Allowances of up to 100% were also given on commercial and industrial buildings, this represented a very attractive incentive for developers<sup>21</sup>.

## **5.3- Urban Development Grant (UDG)**

This was introduced in 1982, as a policy instrument which had one only goal: to involve the private sector. There were no restrictions on the types of projects appropriate to or acceptable for this grant. The principle was that it was the capital offered by the government but only to those projects that involved both local authorities and the private sector. The assumption was that by including public funding for inner city projects, it was easy to gain the private sector confidence making them feeling freer to collaborate. This was meant to optimize the ratio of private to public funding for projects<sup>22</sup>.

## **5.4- City Grant**

Both UDG (Urban Development Grant) and URG (Urban Regeneration Grant) were for private sector-led joint projects. In other terms the government was encouraging enterprise driven regeneration.

In 1988, both UDH (Urban Development for Housing) and URG were merged into the new City Grant and raised as a policy instrument in direct link with the Action for Cities programme. The local authorities were completely bypassed in the application of this programme, as the applications for the grant were evaluated by a private sector committee and awarded directly to the investors. The purpose was to overcome bureaucratic constraints, fix specific problems and disadvantages of inner city sites, and also assist the project's commercial success and viability; as all faith had been lost in the previous renewal efforts of the public authority and local government.

The removal of power from local authorities was an important change during the Thatcher regime during the 1980s because of the non-capitalistic views of the Labour Party local authorities, preventing the neoliberal policy from progress. The great transformation under Thatcher was the excessive marketing of private sector. The idea was that regenerating the inner cities was a job for the private sector, and then local authorities would be diverted to a minor role leading to a control of the possible damage these authorities could do.

An evaluation of the urban policy and its economic impact during the 1980s suggested its contribution in some areas to reduce unemployment, however out of 57 areas only 18 revealed to get positive effects, while 21 had poor outcomes, in the rest 18 it was not successful. The emphasis on private policy investment in many schemes marginalized local communities and failed to include local people in redevelopment programmes. The partnership approach was the key issue to this situation; it would permit a more comprehensive approach aiming at generating a better value for money for the public purse.

The urban regeneration policy of the 1980s started to raise some questions about its top-down approaches leading then to a re-evaluation and a possible restructuring of the policy framework towards more locally interconnected strategies. A new concept was put into practice: "New Localism", it represented a managerial, competitive and corporate approach to a regeneration and allocation of funding. Like this, the new tendency was a more integration of

physical, social and economic strategies for change. The orientation of the policy was towards a partnership approach which became more dominant and the reinforcement and alliance of key actors and stakeholders through the allocation of funds. This required a partnership between the private industry, local and national government authorities or agencies and community.

## **6. The Thatcher Rule Assessed: Urban Neoliberal Policy: Justice or Injustice?**

The question of how these different perspectives have shaped the first wave of neoliberal urban policies in the UK needs to be considered. Various debates identified and evaluated the procedural problems and highlighted the unfair distribution of power, the lack of democratic control over the institutions created by these policies and even the lack of transparency, notably during the Thatcherite period.

The entrepreneurial urban model developed and prospered in the 1980s. It was challenged by a series of assessments made by scholars in this scope of research. An evaluation was made of the UDC approach (Urban Development Cooperation) by Imrie and Thomas in a book edited based on different perspectives: political, economical and social. In the Docklands area for example, the struggles against the political exclusion of the inhabitants was highlighted by many researchers. In the case of planning, the unbalanced power between the private and public sectors is highlighted by Michon (2008)<sup>23</sup>. Her analysis of the regulation of public spaces shows how socio-spatial fragmentation and spatial inequalities are the result of public sector urban privatization.

The 1990s regeneration policies under the Thatcherite Conservative government with City Challenge and Single Regeneration Budget seemed to be a priori more transparent; it encouraged deliberative processes in order to set the programmes priorities locally. However, a deep examination of these processes showed that inhabitants' demands were seldom taken into consideration and that deliberation often only led to a surface consensus<sup>24</sup>.

Critics doubted of the effectiveness of these policies, these latter sometimes worsened the socio-economic conditions of the affected populations and created tensions between neighborhoods receiving funding and those who were not<sup>25</sup>. That system of competitive bidding, in addition to the inconsideration of real levels of inequality, was a source of procedural injustice: those who received funding were not the worst off territories, but those which might be an investment opportunity for the property sector, or those whose leaders were connected to national institutions<sup>26</sup>.

Whatever the framework used to understand and analyze these inequalities, the injustice of the aforementioned urban policies is obvious. It is more difficult to prove that this injustice result from the neoliberal aspects of the policies. In the name of inflation control, large public spending cuts are organized; new accumulation is created because of the big investment in projects in spaces singled out as market failures; however, still this does not really explain the injustices that these policies have created. What explains the injustices is the non-intervention concerning the issue distribution of land value gains representing a product of public investment in certain territories' equipment; this is what precisely happened in London<sup>27</sup>.

Numerous neoliberal thinkers, including radicals like Hayek, conceived the persistent refusal to fix increasing social and economic inequalities, as an institutional failure rather than a consequence of their theories.

“In the next few years we are likely to see a growing housing crisis as increasing numbers of middle and lower-income households find that they no longer have the resources to become owner-occupiers (or to maintain mortgage burdens) nor access to public housing (as less and less becomes available via new building and relets). If it becomes clear that the present market dominated system can no longer deliver a rising standard of housing provision for the majority ... political support for more radical change may grow. But such support is only likely ... if the changes proposed do not involve the improvement of the position of the worst off at the expense of those who have achieved a basic standard of good housing, while leaving those who really benefit from the market system – the financiers, landowners, builders and distributors – untouched.”<sup>28</sup>

When Michael Harole wrote this nearly forty years ago, he was far from imagining how neoliberal policy would alter the UK housing



policy and the global economy in general. Even though the achievement of physical and environmental improvements, the fundamental needs of inner cities residents were still neglected and couldn't reach favorable opportunities to put their skills and capacity into practice. Was neoliberal policy making the poor poorer?

What caused Thatcher demise were her increasing taxes all along her tenure, especially when she decided to change the tax funding local government from a property tax to a poll tax, imposing to every household to pay the exact amount of money rather than a share of their property value. That was the reason for her demise as Conservative leader and to the ascent of John Major as the new Prime Minister.

## **7. Conclusion**

During the rule of Margaret Thatcher from 1979 to 1990, Britain has been deeply transformed; the ideological legacy left is rivaling that of Marx, Mao, Gandhi or Reagan. Thatcher was also the only British prime minister to have become an“-ism” in her lifetime. Her impact is still obvious through the brand of politics and the set of convictions which affected the whole world from Warsaw to Dubai to Washington. Her motto is that a country can prosper only by encouraging people to save and to spend no more than they earn. Thatcherism aimed at a strong state with free economy through encouraging and rewarding the risk-takers, the entrepreneurs, who alone create the wealth without which governments cannot do anything. Her aim was to turn the tide from the “evil” empires of communism and socialism. For Mrs. Thatcher, her system was moral as much as economic.

This article tried to identify the new modes of urban governance and the important initiatives taken by the Thatcher government to the economic regeneration of cities attempting to rise through deindustrialization. For the sake of a good organization of urban regeneration during the 1980s and the 1990s, the neoliberal policy was

greatly implied in setting the principle upon which central government schemes would operate. Among the flaws of the conservative government led by Thatcher was the allowing of much out-of-town developments which though successful to a certain extent, they negatively altered the economies of central cities and increasing car dependency in parallel. The government tried to solve this problem, but it was the New Labour government which took office in 1997 the fact which could really change attitudes towards urban development.

The story of neoliberalism genesis is worth to be reassessed, as till now its significant impact on our societies and identities is felt; in addition to this none can deny the role of cities and urban spaces in the functioning of societies and economies today. At the same time, it would be really nonsense to exaggerate at putting neoliberalism as a reference to any discourse explaining a social phenomenon, and linking it to all the misfortune happening in the world. An exaggerated use would lower the usefulness of the concept. The challenge of policy makers during the 1990s was to find a remedy to distressed urban areas and provide them with useful mechanisms so as to secure the physical regeneration of fragments of urban areas and mask the social and economic divisions within the cities. If the conservatives failed to implement efficient regeneration strategies during two decades in power could Labourists do better in the following decade?

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<sup>18</sup> *ibid*

<sup>19</sup> **James & Evans**, *Urban Regeneration in the UK*, SAGE Ltd, London, 2008, p 256

<sup>20</sup> **Tallon A.**, *Urban Regeneration in the UK*, Routledge, 2013, p 130.

<sup>21</sup> **Lawless, Paul** (1991), *op.*, *cit.*, p 111

<sup>22</sup> **James & Evans**, *Urban Regeneration in the UK*, SAGE Ltd, London, 2008, p 267

<sup>23</sup> **Michon, Perrine**, (2008) *Le partenariat public-privé et la régénération urbaine. L'exemple des Docklands*, Géocarrefour, Vol. 83, n° 2, 119–128.

<sup>24</sup> **Keegan William** *Mrs Thatcher's Economic Experiment* 1984, p74.

<sup>25</sup> **Plehwe, Dieter, Bernard Walpen and Gisela Neunhöffer**, eds. (2006): *Neoliberal Hegemony – A Global Critique*. London: Routledge, p 207

<sup>26</sup> **Martine Drozd**, « Spatial inequalities, “neoliberal” urban policy and the geography of injustice in London », *justice spatiale | spatial justice*, n° 6 june 2014, <http://www.jssj.org>

<sup>27</sup> *ibid*

<sup>28</sup> **Harloe, M.**, (2001), *Social Justice and the City : The New Liberal Formulation*, *International Journal of Urban and Regional Research*, vol. 25, n° 4, pp 41-42.