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Individualism, Family Values, and Conservative Ideology in Britain and Norway, 1979-1990

Master's thesis in Master's programme in English

Supervisor: Gary Love

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Abstract

The purpose of this master's thesis is to compare how the British Conservative Party and Høyre in Norway tried to strengthen the position of the individual and the family through their use of political rhetoric and legislation in areas of economic and social policy during the period 1979-1990. The thesis attempts to provide new and wider knowledge about similarities and differences between two political parties' policies and contextual circumstances. The focus is concentrated on three specific areas of policy, namely economic and taxation policy, housing policy, and social security policy and the welfare state. The findings in this thesis emphasise how two different parties, with several common ideological traits, designed and implemented their ideas and policies in order to react to the economic, social, and political issues of the 1970s and 1980s. The comparison of the two parties indicates a difference in their perception of which environment they believed individuals and families would be able to thrive in most. The Conservative Party, with their aim to re-establish the existing order and delegitimise Socialism, aimed to achieve a society in which individuals had an increased responsibility for their own situation. Høyre wanted to find more efficient ways to maintain the existing order, which was largely built on social-democratic principles and a strong welfare state, so that individuals and families could prosper within a more secure environment, and a slightly different type of freedom could ultimately prevail.

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Introduction

Historical Background

The 1970s are well known for signalling the end of the 'golden age' of social democracy, which had increased prosperity and produced higher living standards.¹ It was also during these years, when the 'post-war consensus' started to unravel, that a more individualistic and market-oriented politics gained currency and increased in popularity. This change of political thought was partly a result of the economic crises of the 1970s and many governments, like the Labour governments in Britain and Norway, came to the conclusion that new solutions would be needed to counteract inflationary pressures, increase economic performance, and fight against rising levels of unemployment. Perceptions of national 'decline' in many western countries also created new opportunities for alternative political ideas to attract interest and gain support from across the political spectrum. But within this context specific political movements like the New Right became particularly influential, and, political doctrines like Thatcherism and Høyrebølgen became the most important representatives of a new politics in Britain and Norway.

Britain

Several events led up to the rise of Thatcherism and the election of the Conservative government led by Margaret Thatcher. Thatcher and the Conservative Party's ability to exploit Labour's failings in the face of economic crisis and emphasising the negative effects of strong trade unions was crucial in the 1979 election campaign. The 1970s was a decade with high levels of inflation and unemployment. In 1973, the level of inflation in Britain exceeded 20%. This was mainly a result of rising wages due to strong trade unions, growth in credit and consumer spending, and the oil price shock that led to 70% increase in oil prices. As a way to try to deal with the high level of inflation, Edward Heath's Conservative government tried to reduce wages, a measure that led to industrial unrest and frequent strikes. Strike action contributed to bring down both Heath's government in 1974 and James Callaghan's Labour government in 1979, and the public was frustrated with the problem of what to do about trade union strike action. In 1976 Callaghan asked the International Monetary Fund for an emergency loan as a way to try to control the high levels of inflation

¹ John Shepherd, *Crisis? What Crisis?: The Callaghan Government and the British 'Winter of Discontent'* (Manchester, Manchester University Press, 2013), 4.

and unemployment. The Callaghan government's further attempts to reduce inflation through wage restrictions was unpopular with the public sector workers and resulted in the series of strikes during the winter of 1978 and 1979 and culminated in what is known as the 'winter of discontent'.²

The winter of 1978-79 was remarkable in several ways. First, it was an extremely cold winter with heavy snowfalls. Secondly, there was industrial chaos and strikes. It started in September 1978 with a nine-week strike at the Ford Motor Company. The height of industrial disruption came in January, February, and March of 1979, which included the national haulage strike just as the oil tanker drivers' dispute reached an end. On 22 January there was also a 'National Day of Action', during which 1.5 million public sector employees stopped work. Workers continued to strike after this date, including local authority workers, health service auxiliary staff, and civil servants.³

The 'winter of discontent' became a symbol of the Labour government's weakness in the face of powerful trade unions. This, in addition to the perception of a Britain in both economic and moral decline, became a fundamental Thatcherite narrative of a Britain that needed to be saved from the ineffective and damaging reign of Socialism. According to Thatcher, only a Conservative government could transform the country's fortunes by rolling back the frontiers of the state, deregulating the economy, and encouraging more self-reliance. Colin Hay has argued that the winter of discontent was perhaps *the* key moment in the pre-history of Thatcherism because the Thatcherites managed to provide a convincing construction of the winter of discontent as symptomatic of a more general crisis of the state.⁴ The Thatcherites also emphasised the importance of a return to 'Victorian values' or a set of virtues that outlined the preferred traits of an individual. These values were fundamental in Thatcher's plan to restore the economic and social condition of the country.⁵ In the late 1970s, the Conservative Party attracted a large amount of support in a short period of time. According to a NOP opinion poll, Labour was leading by 1 per cent in December 1978. However, in

² "Past Prime Ministers: James Callaghan", *Gov.uk*, <https://www.gov.uk/government/history/past-prime-ministers/james-callaghan>

³ Shepherd, *Crisis? What Crisis?*, 3.

⁴ Colin Hay, "Narrating Crisis: The Discursive Construction of the 'Winter of Discontent'", *Sociology* Vol. 30, No. 2. (1996): 253.

⁵ Shirley Robin Letwin, *The Anatomy of Thatcherism* (New York, Routledge, 1992), 32-33.

January 1979 the Conservative Party was leading by 18 per cent, and it proceeded to win the General Election on 3 May 1979.⁶

Norway

To understand Høyre's increased support during the 1970s and 1980s, one must look at it as a part of an international phenomenon where several Conservative or right-wing parties came to power, like in Britain and the United States. Norway did not experience a situation similar to the winter of discontent in Britain, but the Norwegian economy was affected by the crises of the 1970s. Due to Norway's income from their recent oil discoveries, there was no talk about any particular Norwegian economic crisis until the late 1970s. However, whereas oil money could be used to tackle economic problems, Høyre argued that no government could hide the fact that there was an increase in the number of divorces, the traditional family was undermined, and that virtues like high work ethic, frugality, obedience, and honesty were starting to be forgotten by Norwegians. Høyre argued that the policies of the Labour government did not do anything to maintain or to restore important components of Norwegian society, like these virtues. Høyre's mission was therefore to take action and change the course of direction and take necessary measures to preserve and protect the existing order, encouraging personal responsibility and initiative.⁷

The events of the 1970s meant the Labour government realised that measures were needed. They initiated a reorganization of economic policy by suggesting that market forces would take a bigger part but continued with their interventionist approach in other areas. Sinking popularity among the electorate in favour of the Labour Party and increasing economic problems led the Labour government towards Høyre in several political areas, including making cuts in public expenditure and liberating interest rates policy. Høyre managed to take advantage of the crises of the 1970s, especially concerning the narrative of the Labour government's failure in governing the country during the economic crisis. Høyre had already a well-articulated criticism of a state having too much power by managing public funds, and this notion gained significance and support by the people in the late 1970s and early 1980s. The elite lost some of their legitimacy when ordinary people realised their power as consumers and thereby changed their attitude, became more sceptical, and valued individual

⁶ Hay, "Narrating Crisis: The Discursive Construction of the 'Winter of Discontent'", 254.

⁷ Hallvard Notaker, *Høyres historie 1975-2005: Opprør og moderasjon* (Oslo, Cappelen Damm, 2012), 29.

rights more highly in the face of a powerful state and collective solutions.⁸ Høyre's deregulatory ideas and individualist, market-oriented approaches became popular among the electorate and contributed to their General Election win on 14 October 1981.

Research question

The scope of this study starts in 1979 when the Conservative Party in Britain won the General Election and Margaret Thatcher became prime minister and ends after her three terms in office in 1990. The Norwegian perspective runs from 1981 when Høyre came to power and Kåre Willoch was appointed as prime minister and ends shortly after his second term began in 1986. The Willoch government resigned 9 May 1986 after the opposition's vote of no confidence in the Storting based on Høyre's restrictive economic measures. Both of these two Conservative parties valued and emphasised the individual and the family as a fundamental component of society in which values and moral standards were passed on from generation to generation. The 1970s and 1980s saw a shift from a collectivist social democratic approach to society and equality among the citizens to an increased focus on individualism, self-reliance, individual possibilities, and freedom of choice. Also, the economy became more market-oriented and deregulated. In this context, it is interesting to research how these two parties, once in government, tried to put these ideas into practice by implementing legislation that would serve to improve the situation for individuals and families. The research question for this thesis is as follows:

How did the British Conservative Party and Høyre in Norway try to strengthen the position of the individual and the family through their use of political rhetoric and legislation in areas of economic and social policy during the period 1979-1990?

In finding the answer to this question I will prioritise a selection of key areas of economic and social policy for analysis, namely economic and taxation policy, housing policy, and, social security policy and the welfare state. Additionally, the thesis will have a focus on the ideological background from which both the Conservative Party and Høyre took influence in the design and implementation of their policies.

⁸ Notaker, *Høyres historie*, 18.

Historiography

The historiography on the British Conservative Party, Margaret Thatcher, and Thatcherism is extensive. Many scholars have paid particular attention to the economic policies of the Conservative Party between 1979 and 1990, including economic theories, how they intended to tackle inflation, tax policies, and also housing policies. Even though economic policies have a social dimension to them, social policies like social security and social benefits have been less studied than economic issues. The historiography regarding Høyre in Norway during the same time, however, is less extensive and builds on a few but rather vast and general studies, such as the four volumes of *Høyres historie*. The reasons for the difference in the amount of research on the two cases are many and circumstantial. Whereas Thatcher became a prominent figure both in Britain and abroad during her time as prime minister and had a set of ideas named after her, Kåre Willoch was more anonymous from a broader and international perspective. He was also prime minister for only five years, compared with Thatcher's eleven. Additionally, Thatcher and the Conservative Party's policies were arguably more radical and transformative compared to those of Willoch and Høyre.

The main task of this thesis is to find out how the British Conservative Party and Høyre in Norway tried to strengthen the position of the individual and the family in society, as part of the general change of direction from a social-democratic to a more market-oriented society. This literature review will look at the existing literature and what research has been done in the area of social policy in Norway between 1981 and 1986, and in Britain between 1979 and 1990. The area of social policy includes economic policies, social security policies, and housing policies.

Similar in both Britain and Norway, the economic policies implemented by the Thatcher governments and the Willoch governments are important concerning the transition from a social-democratic approach to the economy to a more market-based economy and the effects of this on the role of the individual and the family in society. Regarding the British conditions, specifically monetarism and politics of inflation, Jim Tomlinson's work is relevant for this thesis. He thoroughly discusses the initial monetarist approach the Thatcherites were influenced by in their aim to tackle high inflation pressure in the early 1980s. Inflation was one of the most pressing economic problems in the 1970s and 1980s, and how to control it was a crucial part of the Conservative Party's economic policies. Tomlinson presents arguments regarding who the Thatcherites blamed for high inflationary pressure, and

here the trade unions are important.⁹ When it comes to the Conservative Party's supply-side economy Nigel Healey also provides us with useful information about the economic approach that the Thatcher governments fully embraced after moving away from monetarism, arguing that the eleven years of Thatcherism wrought significant changes in the British economy. The Thatcherite supply-side program played an important role in their aim to undermine Socialism, battling labour union militancy, and modifying the welfare state. As Healey argues, during the Thatcher era Britain became "an international symbol of aggressive, free market capitalism".¹⁰

On the Norwegian side of economic policy, Notaker's volume of *Høyres historie* is an important contributor. Also, Tore Jørgen Hanisch wrote a book about Norwegian economic policy in the 20th century that includes chapters that deal with the economic conditions in Norway in the 1970s and 1980s and the political climate at the time. Both Notaker and Hanisch agree that the changes towards a more market-oriented economy in Norway were started by the Labour government in the late 1970s.¹¹ However, as the chapter on economic policy will show, due to the minority government consisting only of Høyre from 1981 to 1983, implementing policies that the Labour Party once was in favour of proved to be difficult.

A lot of emphasis is also given towards credit policy in the existing literature on Norwegian economic policy. The 1980s are well known for increased consumerism, how the housing prices were decided by the market forces, and an increase of debt among the people due to easier access to loans. Both Notaker and Hanisch pays attention to how Høyre's deregulation of the credit policy had significant effects on the economy and people's personal economy. The measures were implemented as a part of Høyre's aim to roll back the state and encourage the individual's freedom of choice, but as most scholars have pointed out, the measures had some unintended negative outcomes, including a government that eventually lost control of the economy.¹²

⁹ Jim Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", in *Making Thatchers Britain*, ed. Ben Jackson and Robert Saunders, (Cambridge: Cambridge University Press, 2012).

¹⁰ Nigel M. Healey, "The Thatcher Supply-Side 'Miracle': Myth or Reality?", *American Economist* Vol. 36, No. 1, (1992): 9, <https://search.proquest.com/scholarly-journals/thatcher-supply-side-miracle-myth-reality/docview/200727397/se-2?accountid=12870>

¹¹ Tore Jørgen Hanisch, *Norsk økonomisk politikk i det 20. århundre: verdivalg i en åpen økonomi*, (Oslo, Høyskoleforlaget, 1999).

¹² Notaker, *Høyres Historie*, 108.

Central to both Høyre's and the Conservative Party's housing policies was the Conservative ideal of a property-owning democracy. This notion of distribution of both power and capital among the citizens laid the foundation for how both parties organized this area of policy. Peter King describes the development of housing policy in Britain and looks at the background for the implementation of the Right to Buy scheme in his book. Particularly interesting and relevant to this thesis is his belief that housing policy cannot be understood without recognizing the ideas behind it, and here, a key point is the relation between the role of individuals and the state.¹³ The Conservative Party's aim to achieve a high number of homeowners were also a part of their goal to abolish Socialism and their privatization scheme; an issue that also Aled Davies discusses in his article "'Right to Buy': The Development of a Conservative Housing Policy, 1945-1980". The scheme was established as a part of the Conservative Party's policy as early as the year before Thatcher became the leader of the party and played an important role in their plans to reduce public expenditure.¹⁴ Another interesting article on Thatcherite housing policy in the 1980s is written by Richard Disney and Guannan Luo that covers how, in their words, "this internationally-unique policy was the largest source of public privatization revenue in the UK and raised homeownership as a share of housing tenure by around 15 percentage points".¹⁵

Høyre's aim to secure every Norwegian citizen with sufficient housing is broadly covered in Notaker's *Høyre's historie* and Hammer's *Sosialdemokrati versus nyliberalisme*. The notion of a property-owning democracy was the foundation for Norwegian housing policy in the 1980s. Hammer predominantly looks at the transition from the social-democratic mindset that dominated the post-war period and how neoliberal ideas took part in the transition to a more individualistic society. Additionally, Tore W. Kiøsterud wrote a book based on his own experiences working in the Ministry of Local Government for 30 years. One of his motifs for writing the book was to provide an overview of the most important actors and economic measures in housing policy.¹⁶ Lastly, Bjørn Skogstad Aamo's article provides some

¹³ Peter King, *Housing Policy Transformed: The Right to Buy and the Desire to Own* (Bristol, Bristol University Press, 2010), 11.

¹⁴ Aled Davies, "'Right to Buy': The Development of a Conservative Housing Policy, 1945-1980", *Contemporary British History* Vol. 27, No. 4 (2013) 422, <http://dx.doi.org/10.1080/13619462.2013.824660>

¹⁵ Richard Disney and Guannan Luo, "The right to buy public housing in Britain: a welfare analysis", *Journal of Housing Economics* Vol. 35. (2017): 1, <https://doi.org/10.1016/j.jhe.2017.01.005>

¹⁶ Tore W. Kiøsterud, *Hvordan målene ble nådd – Hovedlinjer og erfaringer i norsk boligpolitikk*, NOVA temahefte 1/05, (2005).

perspectives on how closely related housing policy and economic policy are. Central to his argumentation is ‘the housing wealth effect’, which says that people intend to spend more money as the value of their assets rises, for example, housing.¹⁷

For the section on social security policies in Britain, Ruth Lister’s work is relevant. The article shines a light on the changes that occurred in the social security sector after the Conservative win in the 1979 general election. Particular attention is paid to Thatcher’s approach to unemployment and work incentives, public expenditure, targeting benefits for people in greatest need, and the government’s encouragement of self-sufficiency. Lister argues that if we look at each of Thatcher’s three terms more isolated, a shift in emphasis can be seen. It went from “a period of lowering expectations during which virtues of sacrifice were extolled”¹⁸, exemplified by the social security cuts of 1980, to a period of consolidation during which the government seemed too diffident to implement reforms without influence from certain interest groups, like Conservative Women’s National Committee in accepting a universal child benefit. The last period in government showed a more aggressive ideological stance, for instance in the implementation of the Social Security Act 1986 that, according to MP John Moore “marked the beginning not the end of the process of reform”.¹⁹

Florence Sutcliffe-Braithwaite has some interesting contributions related to social security policies in her articles. She focuses on the ideological background of the Thatcherite social policies and ideas. Particularly interesting is her argument that Thatcherites saw a close relationship between culture and poverty; meaning that the reason that some people were poor due to their short time horizons and lack of self-discipline.²⁰ This approach to poverty and inequality is relevant to this thesis because it explains some of the policies the Thatcher governments implemented and which influences they were affected by.

Social policies in Norway with Høyre in government has for the most part revolved around the issues regarding family policy, social security and benefits. Francis Sejersted’s comprehensive work, *Sosialdemokratiets tidsalder*, that covers the development of the

¹⁷ Nicolas G. Pirounakis, *Real Estate Economics*, cited in Bjørn Skogstad Aamo, "Boligmarkedet som kilde til finansielle kriser", *Tidsskrift for boligforskning* No. 2 (2019): 70.

¹⁸ Ruth Lister, “Social Security in the 1980s”, *Social Policy and Administration* Vol. 25, No. 2 (1991): 103.

¹⁹ *Ibid.*

²⁰ Florence Sutcliffe-Braithwaite, “Neo-Liberalism and morality of Thatcherite social policy”, *The Historical Journal* Vol. 55, No. 2. (2012): 513.

Norwegian and the Swedish social democracies is fundamental for the understanding of the history of the welfare state and social democracy. Jill Loga looks at how civil society has coexisted alongside a developing and continuously renewing welfare state. The article also sees this issue from a historical point of view and argues that the questions of the roles of civil society in the welfare state only became a political issue in the late 1970s, and the interest for it grew during the 1980s. Loga looks at how Høyrebølgen, effectuated by the Willoch government in 1981, initiated ideas around the market and civil society being able to produce welfare services cheaper and more efficiently than the public sector.²¹ This article is relevant for my work because it looks at how the roles of civil society, meaning individuals, families, charities, etc., were perceived alongside a developing welfare society.

Approach, Method, and Sources

The method employed for this master's thesis is comparative history. Comparative history is a qualitative method that aims to discover the similarities and the differences between two, or more, factors of study and has a focus on values, opinions, behaviour, and context.²² The similarities and differences are discovered by comparing two factors that have one or more similar variables and one or more different variables.²³ In other words, there must be something in common between the two to achieve a useful comparison. In the case of comparative history, similar historical phenomena are studied in different geographical or temporal settings.²⁴ By employing comparative history I am able to acquire a broad understanding of political environments and conditions by studying their workings across a range of countries.²⁵ In this thesis, the two factors are Høyre in Norway and the British Conservative Party's approach to social policy with the ultimate goal of strengthening the role of the individual and the family in society in the temporal scope of eleven years between 1979 and 1990.

²¹ Jill Loga, "Sivilsamfunnets roller i velferdsstatens omstilling", *Norsk sosiologisk tidsskrift* Vol. 2, No. 1 (2018): 61.

²² Rod Hague, Martin Harrop and John McCormick, *Comparative Government and Politics: An Introduction*, 10th ed. (London; New York, Palgrave, 2016), 95.

²³ Philippa Levine, "Is Comparative History Possible?", *History and Theory* Vol. 53, No. 3 (2014): 332, doi: 10.1111/hith.10716.

²⁴ Chiara Beccalossi, "Comparative Histories", in *A practical guide to studying history: skills and approaches*, ed. Tracey Loughran (London, Bloomsbury Publishing PLC, 2017), 48.

²⁵ Hague, Harrop and McCormick, *Comparative Government and Politics*, 12.

I chose this method because I wanted to analyse the political conditions in both Norway and Britain, and since both countries had a Conservative government at almost the same time, a comparative approach was suitable. Doing a comparative analysis also helps to limit and narrow down my topic of research, as I will not be able to look at every aspect of social and economic policy in Norway and Britain between 1979 and 1990. However, comparing Conservatism this way compared to studying just one national Conservatism is useful because it provides a deeper insight into why two countries with governments based on the same political ideology did things quite differently. It helps to identify similar or different classifications related to political influences, social and economic developments, and it is significant in helping to explain these differences.²⁶

In writing this thesis I have employed both primary and secondary sources. The primary sources consist mainly of the Conservative Party and Høyre's party manifestoes between 1979 and 1990, and 1981 and 1986 respectively. I have also used the Conservative Party's campaign guides in which the Conservatives summarized what they had done since the last election. Additionally, I have read white papers and legislation that also were available online. The use of election manifestoes as primary sources have been particularly useful as they are important features of policymaking and statecraft.²⁷ The election manifestoes provide useful information regarding their political outlook, what each party sought to do while in government, and the details surrounding these pledges in order to appeal to voters' policy preferences.²⁸ I found out that physical archive work was not realistic to spend much time on or even necessary due to the number of resources available online. I was most interested in election manifestoes as primary sources so I could identify key policies in certain areas and how they changed over time, and these were easily accessible.

²⁶ Beccalossi, "Comparative Histories", 59.

²⁷ David Thackeray and Richard Toye, "An Age of Promises: British Election Manifestoes and Addresses 1900-97", *Twentieth Century British History* Vol. 31, No. 1 (2020): 5.

²⁸ *Ibid.*, 10.

Chapter structure

The main part of this thesis will discuss how the Conservative Party and Høyre sought to strengthen the role of the individual and the family in society through the implementation of economic and social policies. The first chapter explains relevant terminology that will be discussed and employed in future chapters. These terms include ideology, Conservatism, Neoliberalism, the New Right, Thatcherism, and Høyrebølgen. These terms are relevant because they are all important to understand which influences the Conservative Party and Høyre were affected by and how these helped shape each party's policies. The chapter weighs up some of the similarities and differences between these terms and why some were more important than others in specific contexts from the end of the 1970s to around 1990.

The purpose of chapter two is to look at how economic policy, such as tax and credit policies, attempted to improve the position of the individual and the family. Much of the economic policies implemented by Høyre and the Conservative Party in this period were influenced by economic theories such as monetarism, supply-side economics, and social market economy.

Chapter three will look at housing policies in relation to the individual and the family. Here I will focus on two significant policies that promoted a massive change in the area of housing policy in both countries. And even to this day, repercussions of these policies that were implemented in the early 1980s, are evident. In Britain, the Right to Buy scheme, a part of the Housing Act of 1980, was most significant. In Norway, on the other hand, deregulation of the housing market and greater access to loans was the beginning of a market-oriented housing policy that sought to increase the level of homeownership, but it also resulted in higher prices.

Following the chapter on housing policies, chapter four highlights the social security policies initiated by the Conservative Party and Høyre between 1979 and 1990. Additionally, the chapter takes into account the differences and similarities between the two parties' general approach to the welfare state as this was reflected in how they prioritised social security policies.

Finally, I will conclude the thesis and present what has been found in this comparative study. I will present how each political party attempted to strengthen the position of the individual and the family through the use of social policy and more specifically, through economic policies, social security policies and housing policies, and consequently which similarities and

differences were discovered. I will argue that encouragement of self-reliance was fundamental for both parties. The main similarity lies with their common ideological background and the main difference revolves around how they designed and implemented their policies.

Justification for the project

While there is now a significant body of research on the economic policies of the Thatcherism and the Willoch governments in this period, scholars have paid much less attention to the social policies of these governments and the principles behind their visions for society. Therefore, this thesis aims to help fill the gap in this area by conducting new comparative research on how these governments sought to emphasise the individual and the family in some key areas of economic and social policy between 1979 and 1990. Frankly, there is little to no comparative research done on these issues in these two countries in this period. This is perhaps surprising considering how Conservative leaders rose to prominence in both of these countries with similar, although by all means not identical, outlooks, and, this offers us a fresh opportunity to look at the similarities and differences between how new Conservative ideas were put into practice in different contexts.

The term “Social Policy” may involve several meanings, including the study of a certain area of politics that deals with the wellbeing of people, or the actual policies that are meant to maintain or increase the wellbeing of people. Thus, Social Policy can be studied, analysed and discussed on different levels. Lucinda Platt states that “Social policy aims to identify and find ways of reducing inequalities in access to services and support between social groups defined by socio-economic status, race, ethnicity, migration status, gender, sexual orientation, disability and age, and between countries”.²⁹

This indicates a strong relationship between social policy and other areas of policy, like economic policy and housing policy. A government’s social policies say a great deal about how they want to, and to what degree they want to, facilitate people’s ability, capacity, and motivation to contribute to a functioning and prospering society. It is about meeting human needs and how these benefits can be organised.³⁰ And the organisational part of it is about politics. The organisation of means, benefits, and actions that are supposed to meet human

²⁹ Lucinda Platt, “What is social policy? International, interdisciplinary and applied”, *London School of Economics and Political Science*, <https://www.lse.ac.uk/social-policy/about-us/What-is-social-policy>

³⁰ Hartley Dean, *Social Policy*, (Cambridge, Polity Press, 2012), 2.

needs, such as security and stability, can be organised and carried out in many different ways and by different people, institutions, organisations, and last but not least, by different political parties. How a political party considers social benefits to be organised and distributed derives from their basic political views and approaches, and therefore there are often fundamental differences between how different parties across the political spectrum see and tackle these issues. This particular issue makes social policy an interesting area of policy to study, and especially in a time when the once strong position of the collectivist social democracy became less significant, and a more individualistic tendency became more prominent.

1 Political Terms

Introduction

This chapter will introduce some of the most important political terms that will be used to analyse specific principles and policy areas in future chapters. Ideology, Conservatism, Neoliberalism, the New Right, Thatcherism, and Høyrebølgen are all terms that play a significant role in the understanding of the political climate in Britain and Norway between 1979 and 1990. This chapter begins with a discussion of the terms Conservatism and Neoliberalism because these have a broader application both temporally and geographically. Modern Conservatism as a political ideology has been around since the 19th century and Neoliberal thinking started to take root in the interwar period. Then the chapter will discuss the terms New Right, Thatcherism, and Høyrebølgen. Although these are also complex terms, they are mostly recognised as direct responses to the economic, political, and social crises of the 1970s.

The following terms are all significant for this particular thesis because they can be used as explanatory devices when looking at economic and social policies that the Thatcher governments and the Willoch governments implemented respectively between 1979 and 1990, and 1981 and 1986. First of all, it is important to know what an ideology is, what it implies, and how ideologies act as foundations of how the world and society are perceived. Then, we can look closer at Conservatism as a political ideology. This is the foundation on which both Høyre and the Conservative Party based their policies.

As the sections on ideology and Conservatism will show, ideologies are not completely separated or independent from each other, and they may get influenced by each other in their responses to developments and phenomena in society. Consequently, different ideologies have over the years developed several branches that are based on the traditional ideology but has been influenced by other ideologies and perspectives as well, such as Neoliberalism and the New Right. Whereas Conservatism, Neoliberalism, and the New Right are relevant in both the British and Norwegian contexts, Thatcherism and Høyrebølgen are terms that are associated with each specific country and political party.

Ideology

Political ideas occur and develop within certain social and historical contexts.³¹ These ideas may also be influenced by underlying ideologies. The British political scientist Andrew Heywood understands ideology in the following way: “An ideology is a more or less coherent set of ideas that provides the basis for organised political action, whether this is intended to preserve, modify or overthrow the existing system of power. All ideologies therefore have the following features: They offer an account of the existing order, usually in the form of a ‘world view’, they “advance a model of a desired future, a vision of the ‘good society’, and they “explain how political change can and should be brought about – how to get from A to B”.³² To put it more simply, one could argue that ideologies “map the political and social worlds for us”³³, they establish an unambiguous perception of the world, and, they help us to identify what we judge to be important and what we want to strive for.³⁴

Ideologies are often defined in ways that make them independent from each other. For instance, Liberalism is described as an ideology where society is created by free individuals who appreciate their own interests and exploit their potential. Socialism, on the other hand, is described as an ideology where human beings are understood as social creatures, joined together in communities, and formed through interaction and cooperation with each other. However, when describing ideologies as independent, one might realise that in reality, they are not so independent, distinctive and isolated from one another after all. If we look at liberalism and socialism as examples again, we know that both are results of modern society in which living, working, thinking and speaking human beings are in the centre of social development. Throughout the evolution of modern society, they have both shared a progressive will to encourage growth, progress and improvement. The difference is the ways in which these two ideologies wanted to create or make this development happen. Whereas liberalism wanted to establish this through individual freedom within a neutral framework, socialism wanted to achieve the same ends by emphasising and strengthening social communities, cooperation and a more planned social formation.³⁵

³¹ Andrew Heywood, *Political Ideologies: An Introduction*, 6th ed. (London, Red Globe Press, 2017), 2.

³² Heywood, *Political Ideologies*, 10.

³³ Michael Freeden, *Ideology: A Very Short introduction*, (Oxford, Oxford University Press, 2003), 2.

³⁴ Svein Hammer, *Sosialdemokrati versus nyliberalisme: Norsk styringskunst og samfunnsforming 1814-2020* (Oslo, Solum Bokvennen, 2020), 23.

³⁵ Ibid.

What has just been explained suggests that ideologies are not completely independent from each other, and there are few sharp lines between them. Therefore, as the author and social scientist Svein Hammer argues, maybe we should look at the two terms ‘liberalism’ and ‘socialism’ as labels of dynamic formations instead. While each of these dynamic formations have distinctive and characteristic cores, they also have external layers. These layers have to be adapted to the specific conditions of the world that they exist in. This means that seemingly independent ideologies have to respond to each other in the real world for practical reasons, they can draw upon each other for inspiration, and can at times resemble each other in particular ways.³⁶

Conservatism

‘Conservatism’ comes from the Latin word *conservare*, meaning “to preserve”. It occurred as a political term in France in the early 19th century as a reference to preserving the existing order.³⁷ As a political ideology, Conservatism is defined by the desire to conserve, and traditionally, it is associated with a resistance to, or suspicion of, change. The most distinguishing aspect about Conservatism is its scepticism of change and the way that this is confirmed through a strong emphasis on support for tradition, a belief in human imperfection, and the desire to uphold the natural structure of society.³⁸

Conservatism is often described as anti-ideological.³⁹ It is known for its opposition to radical ideologies on both the left and the right side of politics, which seek to reform or tear down the existing order before the alternatives are ready to be implemented.⁴⁰ As opposed to, for instance, Liberalism and Socialism, Conservatism is not based on an established and constant set of doctrines. Conservatism is rather effectuated through different versions or forms of it.⁴¹ It encompasses several tendencies and inclinations, such as traditional Conservatism and the New Right, which are the main distinctions within the collective concept of Conservatism today. Whereas traditional Conservatism defends traditional values and institutions in order to protect society and create stability and rootedness for its citizens, the New Right is

³⁶ Hammer, *Sosialdemokrati versus nyliberalisme*, 23.

³⁷ Lars Kolbeinstveit, “Hva er konservatisme?”, *Civita*, 20 November, 2020, <https://www.civita.no/politisk-ordbok/hva-er-konservatisme>

³⁸ Heywood, *Political Ideologies*, 62.

³⁹ Kolbeinstveit, “Hva er konservatisme?”.

⁴⁰ Isaksen og Willoch, *Alt med måte: Politiske samtaler* (Oslo, Cappelen Damm, 2018), 10.

⁴¹ Lars Roar Langslet, «Konservatisme», *Store norske leksikon*, 14 June, 2019, <https://snl.no/konservatisme>

predominantly characterised by a belief in a strong but minimal state, economic liberalism, and social Conservatism.⁴²

Some of the core themes and the most central beliefs of Conservatism are tradition, society, hierarchy and authority, and property ownership. Conservatives are defenders of tradition, meaning that they seek to uphold and support values, practices or institutions that have endured through decades and generations.⁴³ Moreover, tradition is valued because it is a source of identity and belonging for both individuals and society as a whole.⁴⁴ Tradition is also an important source of morality which Conservatives value highly. Each individual has a moral responsibility to make the right choice, and Conservatives see traditions and norms as important guidelines when choosing between right and wrong.⁴⁵ Religion and the church are examples of institutions and traditions Conservatives value as sources of stability and social cohesion. For Conservatives, religion proves society with a set of shared values, and it connects individuals and families in society within a common culture.⁴⁶

The Conservative ideas of society focus on independent individuals and families living in societies where the power of the state is limited, but still effective and efficient. Conservative ideas about society often differ from social-democratic ideas, because Conservatives to a higher degree, separate state and society.⁴⁷ Society consists of individuals and families, and the state's responsibility is to facilitate conditions and give incentives for individuals and families, for instance economic ones, in order for them to thrive and prosper in their communities and society as a whole. The state should not take responsibility to solve problems that might as easily or practically be solved by individuals and families, or by the private as opposed to the public sector. Conservatives have often sought to find a balance between community and individualism. They believe that a too powerful state can suppress individualism, freedom of choice and entrepreneurship, but on the other side, too much individualism can lead to selfishness, weakened communities and less motivation for effort in contributing to the common good in society.⁴⁸

⁴² Heywood, *Political Ideologies*, 62.

⁴³ *Ibid.*, 65.

⁴⁴ *Ibid.*, 66.

⁴⁵ Isaksen and Willoch, *Alt med måte*, 12.

⁴⁶ Heywood, *Political Ideologies*, 302.

⁴⁷ Kolbeinstveit, "Hva er konservatisme?".

⁴⁸ Isaksen and Willoch, *Alt med måte*, 10.

Conservatives usually accept natural inequality among individuals and recognise that all people are born with different talents, skills and prerequisites.⁴⁹ Social equality is perceived as a myth because realistically, there will always be differences between people when it comes to wealth and social position. This inequality is justified by the corresponding inequality of social responsibilities.⁵⁰ Kåre Willoch has argued that there can and will be no capitalism without capitalists. An economic system would fail if there were no economic difference and inequality, because effort must be both encouraged and rewarded. And effort depends on interests, capacity and also luck.⁵¹ Willoch once stated in an interview that “[...] we must come to terms with the fact that in order to achieve a thriving and interesting economy, we must accept certain economic inequalities”.⁵²

Property is also a core theme of Conservatism because of the perceived psychological and social advantages that comes from owning one’s own home. First off, there is the sense of security that comes with it. It provides individuals and families a source of protection. In addition to housing, property can also be understood as savings in the bank. In either case, Conservatives consider the cautious in the management of money to be an important value and therefore something to be encouraged. Furthermore, Conservatives see property ownership as a source of social advantage. For an individual, owning their own property could be regarded as an extension of their personality, a sign of their success and a realization of their potential. Conservatives believe that owning your own property makes you more likely to respect other people’s property as well. This correlates with the Conservative emphasis on morality, and respect for law and social order.⁵³

Both the British and the Norwegian forms of Conservatism have been influenced by Edmund Burke’s political thought, resulting in a democratic Conservatism that wants to preserve civil rights and the rule of law.⁵⁴ Additionally, Burke advocated for a willingness to make ‘change in order to preserve’⁵⁵. This approach to Conservatism has inspired many generations of Conservatives on both sides of the Norwegian Sea, but perhaps it is particularly relevant when

⁴⁹ Heywood, *Political Ideologies*, 70.

⁵⁰ *Ibid.*, 72.

⁵¹ Isaksen and Willoch, *Alt med måte*, 219.

⁵² Heidi Schei Lilleås, “Kåre Willoch: Veldig lurt å gifte seg med en sykepleier”, *Nettavisen*, 15 September, 2018, <https://www.nettavisen.no/nyheter/kare-willoch-veldig-lurt-a-gifte-seg-med-en-sykepleier/s/12-95-3423535163>

⁵³ Heywood, *Political Ideologies*, 73.

⁵⁴ Kolbeinstveit, “Hva er konservatisme?”.

⁵⁵ Heywood, *Political Ideologies*, 63.

thinking about the politics of the Conservative Prime Ministers Margaret Thatcher and Kåre Willoch in the 1980s. Even though Conservatives value tradition, they are not entirely and fundamentally opposed to reform. As this thesis will show, this was particularly true when it came to the making of both Prime Ministers' economic and social policies while they were in office.

Neoliberalism

Neoliberalism is a collective description of economic and political ideologies and theories that share the common belief of a society organised by macro-economic principles. These principles include monetarism, privatization of public enterprises, and a less interventionist state when it comes to taxes and regulatory measurements.⁵⁶ Due to the political and economic crises of the 1970s, new approaches to macro-economic management were thought to be necessary. Politicians across the political spectrum turned to figures like Friedrich Hayek and Milton Friedman in order to respond to the consequences. Thinkers like Hayek and Friedman are often thought to be representative of what has become known as Neoliberalism.⁵⁷

Neoliberal ideas were not new in the 1970s.⁵⁸ Both Neoliberal and social-democratic ideas were a result of and developed within a precarious economic and political situation during the interwar period. Whereas the social-democratic direction, with its economic thinking of Keynesianism, ended up dominating in western countries during the following years, Neoliberal opinions and ideas continued to exist and evolve in the background.⁵⁹ In 1947, Hayek initiated a conference in Switzerland with an aim to create and synthesise a Neoliberal policy program and political strategy. This collective of intellectuals was named the Mont Pelerin Society. They discussed how liberalism could be defended in an era when collectivism, in the form of both Soviet totalitarianism, New Deal liberalism, and British social democracy, was becoming predominant.⁶⁰

⁵⁶ Dag Einar Thorsen, "Nyliberalisme", *Store norske leksikon*, 13 May, 2021, <https://snl.no/nyliberalisme>

⁵⁷ Daniel Stedman Jones, *Masters of the Universe – Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton; Oxford, Princeton University Press, 2012), 2.

⁵⁸ Jones, *Masters of the Universe*, 1.

⁵⁹ Hammer, *Sosialdemokrati versus nyliberalisme*, 181.

⁶⁰ Jones, *Masters of the Universe*, 4.

Neoliberal thinking is a derivation of classical liberalism. It promotes the individual and a minimal state.⁶¹ Neoliberalism is anti-statist in the way that the state is regarded as collectivist and restrictive of individual initiative. Neoliberalism also draws upon the liberal emphasis on constitutionalism. With focus on freedom for the individual comes an awareness of factors that can limit individualism, for instance the government. It is therefore important to limit the power of the government. This, according to Heywood, is based on two things. First, the power of government poses a threat against individual freedom. Secondly, constitutionalism reflects a general fear of power. This is due to a distrust of how human beings handle being in a position of power, fearing that egoism plus power equals corruption.⁶²

Neoliberals value the individual and the market economy. They believe that individuals should be encouraged to be self-sufficient and be responsible for their own choices and prosperity. The market is a structure in which choices and initiatives made by individuals will result in progress and general benefit.⁶³ The commitment to the free market is heavily inspired by the work of economists like Hayek and Friedman, which renewed its relevance during the 1970s when governments faced difficulties concerning economic stability and sustained growth. Whether or not governments were able to solve economic problems became a pressing issue. Hayek and Friedman were amongst those who challenged the idea of a planned economy. They argued that governments were often the cause, not the cure, of economic problems.⁶⁴ Instead, they claimed to promote a level of state economic intervention that was set at the bare minimum in the form of monetarism.

Monetarism is a theory that is based on the notion of stabilizing business cycles and creating a well-functioning market economy by employing economic insights in politics.⁶⁵ Friedman was a prominent advocate for this school of thought that emphasises the role of the state in controlling the amount of money in circulation, and how the state should aim to achieve an even and stable growth of money supply.⁶⁶ In reality, this meant that the state should not be completely rolled back, but it had to be present in the face of a market economy. Not by stimulating demand, interfering in production, enforcing social redistribution, or actively

⁶¹ Heywood, *Political Ideologies*, 84.

⁶² *Ibid.*, 36.

⁶³ *Ibid.*, 84.

⁶⁴ *Ibid.*, 85.

⁶⁵ Hammer, *Sosialdemokrati versus nyliberalisme*, 187.

⁶⁶ Peter Meinich, "Monetarisme", *Store norske leksikon*, 8 July, 2020, <https://snl.no/monetarisme>

fighting unemployment, but by adjusting public spending, the money supply, and interest rates in order to achieve a healthy and stable economy with predictable rates of inflation.⁶⁷

Neoliberalism's increasing significance in politics from the 1970s did not represent a complete break from the social democratic or interventionist state, but it did push an alternative political approach as a means of achieving a well-functioning economy that would benefit the whole of society. This alternative included an emphasis on supply-side economics and governments were to facilitate better conditions for private sector businesses by implementing tax relief, deregulation, and less bureaucracy.⁶⁸ The core idea was to encourage producers to produce, not consumers to consume, and high taxes were identified as one of the biggest obstacles to a more entrepreneurial, supply-side culture. In addition to tax reliefs, the privatization of nationalised industries was argued to be an important factor in the encouragement of production, because industries would find motivation in the profit motive.⁶⁹ The issue of privatization also had an individualistic aspect to it. For example, Thatcher opposed the notion of public ownership and stated that "the moment things are taken into public ownership is the moment when the public ceases to have control, consideration or choice".⁷⁰

Neoliberalism and its growing significance since the 1970s represented a shift from collectivist ideas to more individualist ideas. According to Neoliberal advocates, the social-democratic project required too much collectivism and thus undermined each individual's freedom and freedom of choice. In Norway, the ideas derived from the Mont Pelerin Society played an important role in the establishment of *Libertas* in 1947, who worked for intellectual freedom, corporate freedom, and political freedom in order to achieve a worthy standard of life for everyone.⁷¹

In Norway and Britain, the development and use of Neoliberal ideas cannot be associated with any particular political party. The complex, nuanced, and yet clear shift in the use of political measures applied to, and affected both the left and the right side of politics.⁷²

⁶⁷ Hammer, *Sosialdemokrati versus nyliberalisme*, 187-188.

⁶⁸ *Ibid.*, 188.

⁶⁹ Heywood, *Political Ideologies*, 87.

⁷⁰ Robert Saunders, "Crisis? What crisis? Thatcherism and the seventies", in *Making Thatcher's Britain*, ed. Ben Jackson and Robert Saunders (Cambridge: Cambridge University Press, 2012), 35.

⁷¹ Hammer, *Sosialdemokrati versus nyliberalisme*, 183.

⁷² *Ibid.*, 180.

Neoliberal policies gained some influence on the left side of politics during the 1970s because liberalism, social democracy, and Keynesianism seemed ineffective in battling stagflation.⁷³ The liberation of the individual had been evident throughout the whole process of modernisation since the war, but during the 1970s, this development increased significantly, and the social-democratic foundation started to fracture. The focus on individual rights continued to grow throughout the 1970s. Instead of striving for equality through the use of compulsory and pre-defined services provided by the state, the new ideal encouraged flexibility and freedom of choice. During the 1980s this notion gained significance, in form of expectations of a society characterised by openness and diversity. Although Neoliberalism would influence social-democratic politics in Britain and Norway, the parties that really embraced elements of Neoliberal ideas were Thatcher's Conservative Party and Willoch's Høyre.⁷⁴

During the years of social-democratic hegemony (roughly from 1945 to the mid-1970s), state and society had more or less been understood as two interconnected terms because the state played the most important role as the director of how society was to be developed. What had previously been regulated by the state, would now, to a greater extent, depend on market forces. This was not necessarily based on a goal of making the state less powerful, but it rather sought to shape the development of society in an alternative way. Neoliberalism does not imply that the power of the state and political force is weakened. What it does imply, however, is that political and administrative work is used to create and facilitate freer markets, and they are then meant to play a greater role in regulating the economy and society.⁷⁵

Norwegian historians would argue that Høyre opposed a laissez-faire liberalism, meaning that Høyre did not promote a completely rolled back state. Aven and Innset argue that there has been an assumption that Neoliberals advocated for such a position of the state, and that there was too much distance between Høyre and for instance Thatcher's Neoliberal-influenced politics in the 1980s that any comparison between the two have been excessive. However, what does make Høyre and the Neoliberal project more related than some would argue, is that they both opposed laissez-faire politics and encouraged some intervention from the state.⁷⁶

⁷³ Jones, *Masters of the Universe*, 5.

⁷⁴ Hammer, *Sosialdemokrati versus nyliberalisme*, 197.

⁷⁵ *Ibid*, 198.

⁷⁶ Håvard Brede Aven and Ola Innset, "Konservatisme, nyliberalisme og statsdrift – Høyres syn på statseid industri 1945-1981", *Historisk Tidsskrift* Vol 97, No 2 (2018): 134-135.

The term ‘Neoliberalism’ has several weaknesses or negative connotations attached to it. It is mostly used by critics to describe their perception of Neoliberal policies and ideas. Few politicians or political parties have used the term themselves to describe their own policies.⁷⁷ When Neoliberalism is used by critics, the criticism often revolves around the dismantlement of the welfare state, the emancipation of market forces, and privatization.⁷⁸ In the book *Nyliberalisme – ideer og politisk virkelighet*, the editors Mydske, Claes and Lie conclude that “... Neoliberalism is too diffuse to precisely describe the (political) changes that have occurred. Neoliberalism as an analytical term is broad and therefore difficult to employ in political analysis”.⁷⁹ However, in terms of helping to contextualise the areas of policy that will be discussed in future chapters of this thesis, it is important to recognise some of the intellectual roots and transnational dimensions of these ideas, so that we are able to recognise what was new and different about British and Norwegian Conservative policies in the 1980s.

The New Right

New Right is a transatlantic ideological branch of Conservatism and a political movement that introduced new economic ideas.⁸⁰ In their rejection of Keynesianism and many of the ideas, practices and institutions that had characterised the social-democratic post-war period, they sought to undo much of what had been established throughout the previous years.⁸¹ The New Right does, however, stay true to the traditional Conservative social principles, such as defence of tradition, authority, and property-owning democracy, but it exceeds traditional Conservatism when it comes to encouraging a rolled back interventionist state and the dismantlement of permissive social values.⁸²

The core idea of the New Right and the political projects it has inspired, like Thatcher’s in Britain, is the doctrine of a free economy and a strong state.⁸³ But this doctrine involves a

⁷⁷ Thorsen, “Nyliberalisme”

⁷⁸ Clemet, Kristin, «Nyliberalisme på norsk», *Civita*, 13 May, 2016, <https://www.civita.no/2016/05/13/nyliberalisme-pa-norsk>

⁷⁹ Nordbakken, Lars Peder, «Nyliberalisme – en liten historie om et begreps fremvekst, inflasjon og meningsoppløsning», *Civita*, 12 January, 2019, <https://www.civita.no/2019/01/12/nyliberalisme-en-liten-historie-om-et-begreps-fremvekst-inflasjon-og-meningsoppløsning>

⁸⁰ Heywood, *Political Ideologies*, 64.

⁸¹ Andrew Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism* (Basingstoke, Macmillan Education, 1988), 34.

⁸² Heywood, *Political Ideologies*, 83.

⁸³ Gamble, *The Free Economy and the Strong State*, 35.

paradox, as the New Right promotes both a rolled back and a rolled forward state that should be interventionist in some areas and non-interventionist in others. This ambiguity is a result of the two contrasting strands the New Right builds on, a liberal and a Conservative tendency. Whereas the liberal tendency promotes a free, open and competitive economy, the Conservative one is interested in the restoration of social and political authority throughout society.⁸⁴

New Right was a result of the growing concerns about the welfare state and economic management, especially from the 1970s onwards. Margaret Thatcher's governments in Britain between 1979 and 1990 have been associated with the term.⁸⁵ This is based on the common belief the Thatcherite project shared with the New Right in areas such as a strong, but less interventionist state, a free market economy, and the restoration of the morality of the British public. I have not found any indications that the New Right was a political movement that Høyre in Norway was ever associated with. Nevertheless, there are some similarities between the ideas of the New Right and those that Høyre was openly influenced by or even politically implemented during their years in government, such as a strong belief in the individual and in the freedom of choice and the free market. However, as with the use of the term 'Neoliberalism', the New Right was not a label that any politician or political party attached to themselves to describe their policies.

Thatcherism

To describe the type of Conservatism that dominated in Britain from 1975 to 1990, and more importantly the three governments with Margaret Thatcher as Prime Minister from 1979 to 1990, one has to take a closer look at the phenomenon known as 'Thatcherism'. Many scholars and political commentators have tried to outline what Thatcherism is or what it amounts to. Was it an ideology or was it merely a set of political beliefs responding to the economic, social, and political developments of the 1970s and 1980s?

Florence Sutcliffe-Braithwaite claims that it is an ideology in her article "Neo-liberalism and morality of Thatcherite social policy"⁸⁶. She argues that it was an ideology in the sense used by the political scientist Michael Freedon, because "though Thatcherites took ideas from their

⁸⁴ Gamble, *The Free Economy and the Strong State*, 36.

⁸⁵ Heywood, *Political Ideologies*, 64.

⁸⁶ Sutcliffe-Braithwaite, "Neo-Liberalism and morality of Thatcherite social policy", 497.

diverse sources, their political project had a single guiding purpose: the moral (and, secondarily, economic) rejuvenation of Britain”.⁸⁷ In Freedon’s book *Ideology: A Very Short Introduction*, he states that ideologies are political devices that map the political and social world for us.⁸⁸ He explains that “a political ideology is a set of ideas, belief, opinions, and values that” “exhibit a recurring pattern”, “are held by significant groups”, “compete over providing and controlling plans for public policy”, and that they “do so with the aim of justifying, contesting or changing the social and political arrangements and processes of a political community”.⁸⁹

However, Shirley Robin Letwin, in her famous book, *The Anatomy of Thatcherism*, argued that it was not an ideology. This is based on Letwin’s understanding of a Thatcherite rejection of pressure groups.⁹⁰ She was referring to trade unions as pressure groups here and Thatcher was certainly well known for her hostility towards them. However, we now know from more recent scholarship that Thatcherites were influenced by think tanks, such as the Institute of Economic Affairs, and additionally, international economists who were associated with monetarism and the Mont Pelerin Society. An issue in this regard is that Thatcherites, and Conservatives in general, did not like to talk about or promote their ideological influences. They also shared a suspicion of the term ‘ideology’ because they were sceptical towards the notion that the world could be fixed and rearranged according to an ideological blueprint.⁹¹ Letwin argues that since, in her understanding, Thatcherites did not let themselves be influenced by pressure groups or follow an ideological blueprint, Thatcherism cannot be characterised as an ideology. It does, however, provide a movement, direction and purpose for how to govern Britain the right way, a way that would act as a response to the condition of Britain in the late 1970s channelled through individuals, families and the state.⁹²

The understanding of Thatcherism as a movement, direction, and purpose of the governing of Britain, is most important and constructive in further discussions of Thatcherism. Whether Thatcherism is termed an ideology or not, the most important aspect about understanding this ‘project’, is that it represented a change of thought. Thatcher herself stressed “vision, not

⁸⁷ Florence Sutcliffe-Braithwaite, “Neo-Liberalism and morality of Thatcherite social policy”, 497.

⁸⁸ Freedon, *Ideology: A Very Short introduction*, 2-4.

⁸⁹ *Ibid.*, 32-34.

⁹⁰ Letwin, *The Anatomy of Thatcherism*, 31.

⁹¹ Saunders, ““Crisis? What Crisis?””, 28.

⁹² Letwin, *The Anatomy of Thatcherism*, 31.

blueprint; values and principles, not doctrines”, stating that “These are not the panaceas of political theorists. They are the ideas that have worked”.⁹³ Thatcherites took advantage of the narrative of a Britain in decline, both economically and socially. This proved to be a powerful rhetorical device as the Thatcherite interpretation of the crises, and the Thatcher government’s actions, were contrasted with other ominous alternatives. Thatcher’s reading of the situation became the foundation for the project that was meant to transform Britain and challenge the prevailing social-democratic consensus.⁹⁴

Ever since Thatcher became leader of the Conservative Party in 1975, she had repeatedly proclaimed that “we have lost our vision for the future” and that the public requested “more emphasis on principle”. As a leader she tried to influence her values upon the public, talking about “the ideological battle of socialism”, and her intention “to create a wholly new attitude of mind” in Britain.⁹⁵ The whole narrative about British decline was connected to Socialism, and the Thatcherite critique of it became the central principle of their rhetoric.⁹⁶ The case against Socialism were predominantly about economy and morality. Socialism was described as economically inefficient, with high taxes that constrained productivity. However, as she stated in 1977, “the real case against Socialism is not its economic inefficiency ... Much more important is its basic immorality”.⁹⁷ Thatcher did not only want to defeat the Labour Party at the polls, there was also an incentive to delegitimise Socialism’s moral position in society. Anti-socialism was not a new issue within the Conservative Party in the 1970s, but Thatcher was arguably a pioneer in making it so central to her message.⁹⁸ She prioritised eliminating Socialism from British social culture over making short-term improvements in the economy because she believed that the best way to achieve a flourishing society, and consequently an improvement in the economy, was by establishing a cultural change.⁹⁹

A key component in the Thatcherite aim to defeat Socialism and to achieve a more prosperous society was an increased focus on the individual. Instead of focusing on the relationship between individuals, Thatcherites saw the importance of considering the individual for

⁹³ Saunders, “Crisis? What Crisis?”, 29.

⁹⁴ *Ibid.*, 25.

⁹⁵ *Ibid.*, 27.

⁹⁶ *Ibid.*, 31.

⁹⁷ *Ibid.*, 32.

⁹⁸ *Ibid.*, 33.

⁹⁹ *Ibid.*, 40.

exactly what it is, a single human being.¹⁰⁰ They emphasised a range of qualities an individual should have, a list of qualities Letwin has described as ‘vigorous virtues’. These virtues include being upright, self-sufficient, energetic, adventurous, independent-minded, loyal to friends, and robust against enemies.¹⁰¹ While these qualities are not only preferred by Thatcherites, it is the role that they play in Thatcherism, that makes them important.

The Thatcherite emphasis on vigorous virtues also affected their rhetoric. This issue is raised both by Letwin and other scholars like Florence Sutcliffe-Braithwaite. Instead of emphasising their belief in the individual as a human being that wants to and can care for themselves, they stressed the unrealized potentialities of the ordinary, robust British citizen. To distance themselves from the rhetoric of socialism, Thatcherites focused on the healthy and vibrant instead of the least favourable members of society. The socialist rhetoric, according to Thatcherites, had a way of talking about most people as dependent on aid of some sort or another from the state, instead of encouraging people to be self-reliant and independent.¹⁰²

Høyrebølgen

“Høyrebølgen” is a term that describes the period of approximately ten years from 1975 when the right-wing party Høyre gained increasing influence in Norwegian politics and support from voters. It can be understood as a description of a shift in the political climate from left to right, but also as a shift that is particularly influenced by the party Høyre. It depends on the context in which the term is brought up. We may understand it as part of an international phenomenon, which makes høyrebølgen an expression of what happened in several western countries around the same period of time.¹⁰³ Throughout the whole western world there was a shift from the once prevailing social democratic movement towards a more Conservative, market-oriented direction. The blue wave represented scepticism towards a too interventionist state and promoted instead a freer, more open and deregulated society.¹⁰⁴ In Norway, the expression is often associated with the political party and accordingly, their increased support. In this thesis I will use the term Høyrebølgen as a combination of the two approaches,

¹⁰⁰ Letwin, *The Anatomy of Thatcherism*, 32.

¹⁰¹ *Ibid.*, 33.

¹⁰² *Ibid.*, 34.

¹⁰³ Notaker, Hallvard, “Høyrebølgen”, *Store norske leksikon*, 18 February, 2018, <https://snl.no/H%C3%B8yreb%C3%B8lgen>

¹⁰⁴ Hammer, *Sosialdemokrati versus nyliberalisme*, 199.

because whereas this shift affected and influenced the whole political landscape, Høyre was in a position to fulfil these changes of thought into practice.

Several historians and politicians have given their interpretations and explanations of what Høyrebølgen was, how it came about and a prediction of what it led to and resulted in. There are two main explanations and interpretations of this shift and how Høyrebølgen came about. Berge Furre, historian and politician from the Socialist Left Party, argued that Høyrebølgen was a result of the breakdown of the post-war social democratic order.¹⁰⁵ Additionally, the growing affluence of the Norwegian people weakened the once prevailing notion that an interventionist and regulating state were necessary to achieve a good and flourishing society.¹⁰⁶

The other main explanation is Francis Sejersted's argument that Willoch was a politician that was consolidating and wanted to preserve the established order. Sejersted also emphasises the Labour Party's further turn towards the left after the EC referendum held in 1972 as a contributing factor, claiming that Høyre became a better alternative for former Labour voters. Like Furre, Sejersted acknowledges the impact of some of Høyre's reforms, but instead of seeing them as a sharp break from the social-democratic order, he understands them as necessary renewed continuations of what already was.¹⁰⁷

Hallvard Notaker presents a third explanation of Høyrebølgen that is based on what Notaker argues is missing in both Furre and Sejersted's explanations. The two main explanations do not consider the fact that politics cannot be understood solely on the basis of actions made by politicians. Their actions are limited, shaped and compromised by the issue of majority, and additionally, other aspects that cannot be controlled or regulated by political measures.¹⁰⁸

What Notaker means by this is that when Høyre came to power in 1981, they were not able to start from scratch to build up a country and a society that matched their ideological ideal. Political change was achieved both by initiatives from the MPs, and national and international conditions that influenced these initiatives. Notaker argues that the most extensive reforms

¹⁰⁵ Notaker, *Høyres historie, 1975-2005*, 78.

¹⁰⁶ Notaker, "Høyrebølgen".

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

that Willoch and Høyre implemented happened in areas where the post-war dynamics had already faltered or lost its ground.¹⁰⁹

He further elaborates his explanation of Høyrebølgen and how it helped the party increasing their support by dividing it in three sub-explanations. The first one is based on that Høyre was a party that questioned and challenged the authorities and their power. The second one looks at how Høyre prioritised defending norms and traditions that many conservatives feared had been weakened throughout the previous years. The third and last sub-explanation of Høyrebølgen corresponds to the more general conservative ideological foundation, a less interventionist and regulating state, which was a more important factor in relation to the making of Høyre's policies than for the increase of their popularity and support.¹¹⁰

In *Alt med måte*, Isaksen brings up Notaker's understanding of Høyrebølgen to discuss with Willoch. The former Prime Minister responds that he views it as a reaction to, what he calls a "wave from the left", that influenced the Labour Party at the time. Willoch claims that they lacked political action and motivation to make hard and unpopular decisions in order to deal with the problems at hand. Instead, Høyre had to take that role.¹¹¹

Conclusion

This chapter has described and discussed terminology that are useful for the understanding of the political thought and ideological background of the policies I will research in this thesis. The terms relate ideologically and politically. They derive from each other and have developed over time to become significant for the context I am researching in this thesis. They all have a common broad ideological background, and they revolve around the concept of Conservatism. Over time, Conservatism was affected by influences of other ideologies and ideas, and other strands of the ideology gained significance in the face of the challenges of society. What ultimately united the abovementioned terms were the context of which they all became relevant at the same time, namely between 1979 and 1990.

The terms are useful because they place the ideas and the policies that the Conservative Party and Høyre implemented into a bigger context and perspective. The linkage between the terms

¹⁰⁹ Notaker, *Høyres historie, 1975-2005*, 78.

¹¹⁰ Notaker, "Høyrebølgen".

¹¹¹ Isaksen and Willoch, *Alt med måte*, 39.

and the two parties' political outlook proves that the Thatcherite project and Høyrebølgen were phenomena that were part of a comprehensive and international change of political thought. These two concepts, specifically associated with two different countries, are terms that describe how Conservatives in Britain and Norway interpreted and tried to solve and handle the challenges in society at the time.

The terminology is therefore relevant to future chapters on economy and tax, housing, and social security. These are areas of policy that both the Conservative Party and Høyre had ambitions to reform or affect based on various forms or degrees of Conservatism. As I argued in the introduction to this chapter, the terms are relevant for this thesis because they offer an explanation and serve as a foundation for how policies implemented by the Thatcher and Willoch governments came about and why.

2 Economic Policy

Introduction

In order to answer the main thesis question about how the British Conservative Party and Høyre tried to strengthen the roles of the individual and the family in their respective societies, this chapter focuses on economic policy because it is central to understanding the making of social policy. The chapter looks at how economic policies in areas like taxation, credit legislation, and the privatisation of state businesses affected individuals and families living in Britain and Norway between 1979 and 1990. It also explores the broader economic theories or practices that the two governments were influenced by because these were important to each party's general political outlook. As Kåre Willoch stressed in *Alt med måte*, the right economic policy is the foundation of all political affairs and it is a vital prerequisite to achieve the quality of life and society that is the ultimate goal of all political action.¹¹²

As we shall see, the economic policies discussed in this chapter were central to the shaping of housing and social security policies, which are analysed in chapters three and four. Economic deregulation, cuts in public expenditure, and tax relief were means to achieve economic growth, increased competitiveness and efficiency, a property- and share-owning democracy in both countries, and ultimately a rolled back state. As a result, individuals and families would, according to the Conservative Party and Høyre, experience a positive social outcome because they would be less reliant on the state and more reliant on their own efforts. Economic theories such as monetarism and supply-side economics did not necessarily affect the lives of individuals and families directly in terms of strengthening their positions in society, but they did affect, for example, levels of prices, inflationary pressures, employment, and equality among the public, which definitely made an impact on people's lives.

The most significant economic aspects in Britain between 1979 and 1990 were the Thatcher governments' approach to monetarism during the first half of the period and then fully embracing a supply-side economic approach. Towards the end of Thatcher's premiership, the implementation of the controversial Poll Tax was to have a significant impact on the economic situation of individuals and families, and, ironically, the revolt against it among the British public contributed to Margaret Thatcher's downfall as Prime Minister.

¹¹² Isaksen and Willoch, *Alt med måte*, 13.

In Norway, supply-side economics and the social market economy were the main sources of inspiration when it came to economic policy between 1981 and 1986. The change of direction towards a more market-oriented economy was initiated by the Labour government in the late 1970s. Høyre's visions for further changes within the economy proved difficult to carry out in practice. Credit levels were liberated by the government without having successfully managed to reduce public expenditure and increasing interest rates. This economic boom resulted in a government that lost control over the consequences of its own actions.

The purpose of this chapter is to highlight the economic policies that the Thatcher governments and the Willoch governments acted on between 1979 and 1990. Economic policy during this period was complex and much can be written about all the relevant economic theories. The focus of this chapter will remain primarily on the politics rather than the economics since this is the most relevant approach to the purpose of this thesis. The aim here is to show how these economic theories were put into practice by the two governments in ways that were sympathetic to their prioritising of the individual and the family.

Britain

In their manifestoes during the period between 1979 and 1990, the Conservative Party stated that their main economic issues were to restore, and eventually maintain, the health of the economy. Most important was the task of controlling inflation, and then to restore the incentives that encouraged hard work and created new jobs in an expanding economy.¹¹³ In order to achieve their aims of a healthy and prosperous economy the Thatcher governments were influenced by several economic theories, including monetarism and supply-side economics. During the first couple of years of Thatcher's period as Prime Minister, monetarism was seen as the best tool to tackle the country's economic problems. After 1984, monetarism was more or less abandoned as the chief focus of policy in favour of a broader market-based supply-side approach which included privatisation, deregulation, competition, and tax cuts.

¹¹³ Conservative Party, "The Campaign Guide 1983", *Margaret Thatcher Foundation*, 540.
<https://c59574e9047e61130f13-3f71d0fe2b653c4f00f32175760e96e7.ssl.cf1.rackcdn.com/CA0B1DF2EC494228BB66A9C59F82BE46.pdf>

Inflation

Inflation was throughout the whole period the most prominent matter at hand within economic policies for the Thatcher governments. There were several reasons for why inflation was seen as such a dangerous issue. Historically, inflation had been a significant concern for the Conservative Party due to the perception of how damaging it was for British society. They feared it would redistribute wealth from their supporters, that it would affect savers negatively, and that it represented a threat towards Britain's standing in the world.¹¹⁴ In 1975, Thatcher stated that "rampant inflation, if unchecked, could destroy the whole fabric of our society".¹¹⁵ Shortly after, she argued that "the extremists welcome inflation" based on the perception that it undermined enterprise and self-sufficiency, and that it had an expanding effect on the role of the state.¹¹⁶ The Conservative and Thatcherite fear of inflation was therefore relevant to their aims of rolling back the state and encouraging self-reliance.

The beginning of the 1980s were coloured by the economic problems of the previous decade, including the oil crisis, high levels of unemployment, and an increasingly uncompetitive British industrial sector. In 1979, when Thatcher and the Conservative Party entered office, the level of inflation was at 12,5 per cent and in 1980 the level reached 16,4 per cent.¹¹⁷

The historian Jim Tomlinson sees inflation as central to Thatcherite economic ideas and policies for three main reasons. First, the Conservatives had a declinist approach to economic problems, seeing them as symptoms of an extensive and long-term decline in both the British economy and society. In order to tackle this malaise, the Thatcherites argued that the approach to economic issues needed to be renewed. In a speech at the Kensington Town Hall in 1976, Thatcher stated that "If we are to halt and then to reverse the long years of our country's economic decline, fundamental changes of policy and of attitude are required at almost every level."¹¹⁸ The Thatcherites had already during their time in opposition developed ideas about how they would try to reverse this decline.

¹¹⁴ Jim Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", in *Making Thatchers Britain*, ed. Ben Jackson and Robert Saunders, (Cambridge: Cambridge University Press, 2012), 63.

¹¹⁵ Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", 66.

¹¹⁶ *Ibid.*

¹¹⁷ "Thatcher's Economic Policies", *Economics Help*, <https://www.economicshelp.org/blog/glossary/thatcher-economic-policies/>

¹¹⁸ Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", 67.

Secondly, inflation was a significant component of the debate about monetarism. Due to the rapid inflation of the 1970, which continued into the 1980s, Thatcherite economic policy emphasised any economic theory that could reverse the trend. For the first couple of years in government, monetarism, that will be discussed in further detail below, was the answer.¹¹⁹ Lastly, the Conservatives linked inflation directly to the trade unions. This had to do with the state's role in wage negotiations.¹²⁰ Traditionally, inflation had been understood as a result of union pressure. This was a strategic accusation from the Conservative Party as a part of utilising their inherent dislike of the trade unions that had been strengthened by New Right thinking during the 1970s.¹²¹ Even though monetarism saw inflation as a monetary phenomenon, not a phenomenon caused by trade unions, the Conservative Party developed anti-unionism as a key part of their party's platform. They therefore linked unions to economic decline. As Tomlinson argues, declinism allowed different political tendencies to come up with their own scapegoats responsible for decline, and the New Right favoured blaming the unions and high wages.¹²²

Monetarism

During the first half of Thatcher's time as Prime Minister the Conservative Party saw monetary discipline as the essential tool to master inflation.¹²³ At this point, the government were influenced by monetarism, a macroeconomic theory mainly associated with the work of Milton Friedman that emphasised governmental intervention in regulating the growth rate of money supply in the economy. The monetarist ideas represented a transition from the once prevailing Keynesian hegemony towards a more stable state, with less focus on monetary policy and more emphasis on supply-side, or incentive-oriented, aspects of production.¹²⁴ In practice, this meant that the government implemented higher interest rates, cuts in income tax and higher indirect taxes, such as Value Added Tax¹²⁵ that, in 1979, increased from 8 per cent to 15 per cent. Tax on income was reduced from a top rate of 83 per cent in 1979 to 40 per cent by 1988. The basic rate was reduced from 33 per cent to 25 per cent during the same period of time.¹²⁶

¹¹⁹ Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", 63.

¹²⁰ *Ibid.*, 69.

¹²¹ *Ibid.*

¹²² *Ibid.*, 70.

¹²³ Conservative Party, "The Campaign Guide 1983", 540.

¹²⁴ William Frazer, "Milton Friedman and Thatcher's Monetarist Experience", *Journal of Economic Issues* Vol. 16, No. 2, (1982): 526. <http://www.jstor.org/stable/4225193>

¹²⁵ Frazer, "Milton Friedman and Thatcher's Monetarist Experience", 530.

¹²⁶ "Thatcher's Economic Policies", *Economics Help*.

Whereas the monetarist measures seem to have had some positive effects on inflation as it dropped to a level of 3 per cent in 1986,¹²⁷ this success was tempered by the fact that levels of unemployment continued to increase (also helping to bring down inflation). Between July and September 1983, the level of unemployment reached a high of 12 per cent, its highest rate since the 1930s.¹²⁸ According to monetarism, the only solution to unemployment was reforming the labour market, especially by weakening the trade unions.¹²⁹ The labour market and trade unions had previously been key players alongside governments in making incomes policies. From a monetarist perspective, one of the problems with incomes policies were the political consequences of the trade unions' role as 'partners of the state' in negotiations about wages. In negotiations about wages, some compromises with the unions needed to be made. However, the Conservatives aimed to insulate their policy-making from interests, such as trade unions. As a means to avoid strengthening the trade unions in processes like income negotiations, the Conservative Party sought to allocate workers in accordance with market forces. This was a way to roll back the state, both in terms of dealing with trade unions and incomes policies, and from interventions in wage issues.¹³⁰ Nevertheless, Thatcher's battle of inflation resulted in an increase of unemployment, and in addition to a more regressive tax system, the level of inequality, both economic and cultural, increased in Britain in the 1980s.¹³¹ For example, average real incomes increased by 37 per cent between 1979 and 1992. However, the real incomes of the poorest 10 per cent of the population fell 18 per cent while the richest 10 percent were 61 per cent richer.¹³²

In the early 1980s monetarism became less favourable among many economists, due to the realisation that the link between different measures of money supply and inflation was more uncertain than first assumed.¹³³ As a way of trying to defeat inflation using monetary means, and additionally fulfil their ultimate goal of rolling back the state, the Conservative Party argued that this could be achieved by linking the growth of public spending and public borrowing directly to monetary growth. This ideal narrative of the benefits of a rolled back

¹²⁷ "Thatcher's Economic Policies", *Economics Help*.

¹²⁸ *Ibid.*

¹²⁹ Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", 72.

¹³⁰ *Ibid.*, 70.

¹³¹ Pat Thane, "The Iron Lady, 1979-1990", *Divided Kingdom, A History of Britain, 1900 to the Present*, Cambridge, Cambridge University Press, 2018), 395.

¹³² *Ibid.*, 394-395.

¹³³ Osikhotsali Momoh, "Monetarism", *Investopedia*, 2021, <https://www.investopedia.com/terms/m/monetarism.asp>

state was not accepted by many monetarists, including Friedman. He argued that neither public spending nor public borrowing were necessarily linked to monetary growth.¹³⁴ Thatcher's government received criticism from both monetarists like Friedman but also other economists that were sceptical of the Conservative Party's measures in their battle against inflation. Consequently, in 1981, 364 economists wrote a letter to the *Times*, arguing that the monetarist approach to the economy had negative effects on both employment and economic output.¹³⁵ In other words, these economists were of the opinion that monetarism did not strengthen the position of the individual and the family because it led to an increase of people without a job, made industrial businesses less efficient, and did not contribute to a healthy and growing economy.

Supply-Side Economics

Supply-side economics is a concept in which an increase of goods and services will lead to economic growth. The main characteristics of a supply-side approach to the economy are similar to some of those of monetarism and include cuts in taxation, lowered borrowing rates, and deregulation of industries and businesses as a means to encourage increased production. By lowering income tax rates and capital borrowing rates for the industry, companies would have more money for reinvestments. Additionally, by deregulating the industrial sector, businesses would be more efficient and increase their production due to less time spent on processing times and unnecessary reporting requirements that the state demanded. The Thatcherite support of supply-side economics was a further step away from Keynesian thinking, that had an opposite, demand-side approach.¹³⁶

The main source of appeal of the supply-side theory for the Thatcher governments were privatisation of the industrial sector and other state-owned businesses.¹³⁷ The Thatcher governments aimed to reduce the size of the public sector by making cuts in government spending, taxation and borrowing. Additionally, they wanted to open up for more resources

¹³⁴ Tomlinson, "Thatcher, Monetarism and the Politics of Inflation", 74.

¹³⁵ Robert Neild, "The 1981 statement from 364 economists", *Expansionary Fiscal Contradiction*, ed. Duncan Needham and Anthony Hotson, (Cambridge, University of Cambridge, 2014), 1-9.

¹³⁶ James Chen, "Supply-Side Theory", *Investopedia*, 2021, <https://www.investopedia.com/terms/s/supply-sidetheory.asp>

¹³⁷ Nigel M. Healey, "The Thatcher Supply-Side 'Miracle': Myth or Reality?", *American Economist* Vol. 36, No. 1, (1992): 8, <https://search.proquest.com/scholarly-journals/thatcher-supply-side-miracle-myth-reality/docview/200727397/se-2?accountid=12870>

for the private sector and to encourage engagement in business enterprise.¹³⁸ This, in addition to the privatisation of industrial businesses, were measures made to roll back the state in practice and make it less interventionist.

Privatisation of businesses and industries was part of the solution to many of the problems in British economy and society. In their manifesto of 1979, the Conservative Party argued that “if the Government does not economise the sacrifices required of ordinary people will be all the greater.”¹³⁹ In order to achieve better value for money, the Thatcherites wanted to reduce public expenditure and make important savings in several areas. These savings included, according to the manifesto, a reduction of government intervention in industry and making sure that selective assistance to industry was not wasted.¹⁴⁰ The privatisation of key public sector industries implied an abolition of certain monopolies within industries such as gas, electricity, and telecom, and selling shares to the general public.¹⁴¹ This relates to the Conservative ideal of a property-owning democracy, or in this case, a ‘share-owning democracy’, because it facilitated a distribution of power in the form of capital among the public and weakened the state’s power. Lastly, the deregulation allowed the industrial sector to become more market-oriented and competitive, which expectantly would result in an increase in efficiency, productivity, and growth in the economy. The competition also allowed a drop in real prices, that was beneficiary to customers.¹⁴²

The ‘Poll Tax’

One of the most significant and controversial systems of taxation were implemented by the Thatcher government in 1989 in Scotland, and in England and Wales in 1990. The Community Charge, commonly known as the ‘Poll Tax’, was initially supposed to replace the residential property tax, or ‘the rates’. It was also a result of the Thatcher government’s supply-side approach to the economy, as the poll tax was a means to cut public expenditure by augmenting the state’s tax revenue.

¹³⁸ Frazer, “Milton Friedman and Thatcher’s Monetarist Experience”, 528.

¹³⁹ Conservative Party, “The Campaign Guide 1983”, 541.

¹⁴⁰ Ibid.

¹⁴¹ Healey, “The Thatcher Supply-Side ‘Miracle’: Myth or Reality?”, 8.

¹⁴² “Thatcher’s Economic Policies”, *Economics Help*.

However, the most important motivation behind this tax was the financing of British local government.¹⁴³ The Thatcherites also wanted to expose how Labour-controlled local governments wasted money by replacing the tax that was calculated on the basis of the notional rental value of a taxpayer's dwelling.¹⁴⁴ Accountability was a fundamental concept in this regard. As a means to increase the allocative efficiency in local government, the Conservative Party argued that those who benefitted from local public goods should bear the full financial consequences.¹⁴⁵

The Poll Tax failed to receive support by the public. The main reason for this was the fact that it treated rich and poor equally, the rates of the tax were the same.¹⁴⁶ It was arguably one of the most interventionist tax legislations of the Thatcher governments because it was a flat-rate tax imposed on every adult, regardless of income, and a cause for potentially increased inequality within British society. However, the tax was short-lived. Millions of people refused to pay, and due to the severe discontent among the people a demonstration in London in March 1990 turned into a huge riot.¹⁴⁷ Moreover, as a result of the widespread failure to register taxpayers and default on payment, the tax became uncollectable.¹⁴⁸ In the Local Government Finance Act of 1992, the Community Charge was abolished, stating that "No person shall be subject to a community charge in respect of any day falling after 31st March 1993".¹⁴⁹

The Poll Tax can therefore be described as a short-lived and unsuccessful tax legislation, both politically, economically, and for the government itself. The Conservative Party failed in their aim to gain more control over local authority expenses and to cut public expenditure by reducing the government's grants to the local authorities.¹⁵⁰ The introduction of the Poll Tax is commonly associated with the drop in public opinion of the Conservative government and an increasing discontent among Conservative Members of Parliament, which ultimately led to the downfall of Margaret Thatcher as Prime Minister.¹⁵¹

¹⁴³ Peter Smith, "Lessons from the British Poll Tax Disaster", *National Tax Journal* Vol. 44, No. 4, (1991): 1.

¹⁴⁴ Claire Berlinski, *There Is No Alternative: Why Margaret Thatcher Matters*, (New York, Basic Books, 2008), 329.

¹⁴⁵ Smith, "Lessons from the British Poll Tax Disaster", 14.

¹⁴⁶ Berlinski, *There Is No Alternative: Why Margaret Thatcher Matters*, 329.

¹⁴⁷ Berlinski, *There Is No Alternative: Why Margaret Thatcher Matters*, 330.

¹⁴⁸ Smith, "Lessons from the British Poll Tax Disaster", 15.

¹⁴⁹ Local Government Finance Act 1992 (c. 14, Part III, Section 100),

<https://www.legislation.gov.uk/ukpga/1992/14/section/100>

¹⁵⁰ Smith, "Lessons from the British Poll Tax Disaster", 2-3.

¹⁵¹ *Ibid.*, 9.

Norway

The foundation for Høyre's economic policies was the notion of a property-owning democracy and a social market economy.¹⁵² Their economic policies were also supposed to finance and facilitate their aims in other areas of policy, such as housing and social security, in order to maintain a high sense of welfare in Norwegian society. Kåre Willoch emphasised that the economy was a fundamental aspect in achieving a positive development of society.¹⁵³ The sections on economic policy in Høyre's manifestoes between the late 1970s and the mid-1980s focused on inflation, taxation, and wages. In the one for the period between 1981 and 1985 Høyre argued that inflationary pressure was a problem for society because it weakened competitiveness and because the decline of monetary value had severe economic and social consequences. Therefore, preventing an increase of inflation was a fundamental task in Høyre's economic policy.¹⁵⁴

The Social Economist Kåre Willoch

The Prime Minister Kåre Willoch emphasised budget discipline and cautious spending of public funds.¹⁵⁵ Being educated within the field of social economy, Willoch was particularly interested and concerned with economic issues. Much of his time as Prime Minister were defined by economic affairs and policies. He advocated for an economic political system that encouraged effort and earning money as a result, but at the same time he urged a certain moderation when it came to spending.¹⁵⁶ Willoch saw a successful economy as the foundation for a well-functioning society and for any political action. Additionally, it was necessary to achieve the quality of life for all citizens that, according to Willoch, was the main political objective.¹⁵⁷ He also emphasised Karl Marx and Friedrich Engels' arguments on economy being fundamental in all positive social development. History has shown that economic declines have affected other areas of policy as well.¹⁵⁸

¹⁵² Notaker, *Høyres historie*, 41.

¹⁵³ Isaksen and Willoch, *Alt med måte*, 28.

¹⁵⁴ Høyre, *Høyres arbeidsprogram 1981-1985*, (Oslo, Høyre, 1981), 3. https://urn.nb.no/URN:NBN:no-nb_digibok_2014063008233

¹⁵⁵ Olav Garvik, "Kåre Willoch", *Store norske leksikon*, 29 October, 2018, https://snl.no/K%C3%A5re_Willoch

¹⁵⁶ Isaksen and Willoch, *Alt med måte*, 13.

¹⁵⁷ *Ibid.*, 19.

¹⁵⁸ *Ibid.*, 27-28.

Change of Direction in Economic Policy

In the late 1970s and early 1980s, Norwegian economic policy underwent several structural changes. The change of direction within Norwegian economic policy was initiated by the Labour government in the late 1970s.¹⁵⁹ The fact that these changes started in the 1970s under Labour governments emphasise the notion that the turn towards market-oriented ideas of policy was not solely initiated by Conservative advocates. The Labour Party started to change the course from a government that directed the development in the industrial and business sectors, to a government that would only facilitate necessary conditions so that businesses were able to be economically efficient. A few months before Høyre won the election in 1981, the Labour Party stated in a white paper, that “[...] our country should primarily be based on a decentralised market economy ...”.¹⁶⁰

Once in government, Høyre played an important role in the reorganization of Norwegian economic policy. However, they encountered some difficulties implementing the deregulations and legislations they were eager to implement due to the fact that they between 1981 and 1983 were a minority government. Even though the Labour Party, during their last years in government, had been positive towards a market-oriented approach to the economy, they were soon to return to their old rhetoric of a regulative and interventionist state in their criticism of the new Høyre government.¹⁶¹ This resistance from opposing political parties made Høyre’s first years challenging in terms of political breakthroughs.

However, they did manage to implement significant Conservative deregulations, such as privatisation of key state owned cooperations and abolition of monopolies.¹⁶² This was done in order to achieve increased competitiveness and the core aim of Høyrebølgen, to put the individual, or in this case, the consumer, in the centre. If businesses were encouraged to compete, customers would receive better prices and quality of goods and services.¹⁶³ The government sold shares of state-owned businesses as a part of becoming less interventionist and leaving development up to market forces. Ideologically and practically, Høyre saw the competition between private businesses or cooperations and the state as problematic. The

¹⁵⁹ Tore Jørgen Hanisch, *Norsk økonomisk politikk i det 20. århundre: verdivalg i en åpen økonomi*, (Oslo, Høyskoleforlaget, 1999), 263.

¹⁶⁰ Ibid., 266.

¹⁶¹ Ibid., 267.

¹⁶² Ibid., 268.

¹⁶³ Notaker, *Høyres historie*, 109.

state had several advantages in this competition that private actors did not have, such as protection from bankruptcy, and additionally, the state had seats in the Storting where the rules of this competition were decided.¹⁶⁴ This aim to reduce the power of the state in relation to production was related to Høyre's aim to distribute power and can be perceived as a part of their notion of a property-owning democracy. Moreover, it was also a measure to improve conditions for private businesses and strengthen their position in economic competition.

Tax Policy

Høyre had most success deregulating areas of policy in which the state previously had been responsible for making people's lives more difficult or restricted. One of those areas were one of the most significant campaign issues of the period, namely tax levels.¹⁶⁵ Høyre advocated for a reduction of taxation for several reasons. They argued that by reducing the tax rates for the industry, improved competition, industrial conversion, and a reduction of the state's shares in Norwegian economy, would be the result. Reduced income tax was supposed to enable employers to give their employees less wage supplements without a reduction in real wages.¹⁶⁶

Høyre was associated with tax reliefs by many voters. This expectation increased Høyre's membership number during this period and tax relief was considered to be one of the party's greatest success factors. Campaign material and Høyre's leader between 1980 and 1984, Jo Benkow, quantified these expectations by indicating that income tax would be reduced by seven billion Kroner within four years. The Prime Minister and the rest of the party tried to play down the implications of this statement, arguing that it was not meant to be understood as a seven billion net relief. Some of the loss of income for the state would be replaced by an increase of other fees and taxes. However, the damage was done, and it laid the foundation for what the people expected of the new government.¹⁶⁷

Giving tax relief was also a facilitation to encourage people to save money. This is related to the core Conservative idea of a property-owning democracy, because savings, whether it be in the form of money in the bank or property, was a part of making this type of dissolution of

¹⁶⁴ Notaker, *Høyres historie*, 110.

¹⁶⁵ *Ibid.*, 50.

¹⁶⁶ *Ibid.*, 103

¹⁶⁷ *Ibid.*

power a possibility.¹⁶⁸ When keeping money in a savings account, the state facilitated the possibility to receive tax deductions.¹⁶⁹ Additionally, the government's encouragement of saving money with the associated tax deductions, was a way to strengthen the individual's position against the tax collector, namely the state, and therefore an ideological part of Høyre's aim to distribute power away from the state and to promote more individual responsibility.¹⁷⁰

Credit Policy

Perhaps the most significant and consequential deregulative economic measure the Høyre governments implemented during their time was that of credit policy. During the reorganization of Norwegian economic policy there was an attempt to substitute low interest policy by a free and deregulated credit market and a conventional monetary policy. In this regard, the issue of interest rates was significant.¹⁷¹ The deregulation of credit policy was based on both the Conservative notion of a property-owning democracy and the social market economy's emphasis on necessary framework regulations.¹⁷² Credit policy was deregulated by giving banks the right to decide interest rates and criteria for loans. Norwegian economy had for a long time been based on a policy that favored low interest rates. An increase of the rates was perceived to be unsocial and that it would increase costs.¹⁷³ However, there was a broad agreement across the political spectrum that the solution to the economic crises Norway was facing were market reforms. In 1978 a commission was appointed by the Labour government with the task of evaluating the future development of interest policy. In 1980, the commission presented its recommendation, suggesting several changes; interest rate levels and access to loans should be decided by market forces. This change in direction indicated that there was a broad cross-ideological notion that the once prevailing low interest policy did not serve its equalizing purpose.¹⁷⁴

Willoch's government saw several benefits of leaving the interest rate levels up to the market. The interest commission had provided Høyre with an important possibility to change the course of action once in government without being strongly opposed by other parties based on

¹⁶⁸ Notaker, *Høyres historie*, 104.

¹⁶⁹ *Ibid.*, 47.

¹⁷⁰ *Ibid.*, 48.

¹⁷¹ Hanisch, *Norsk økonomisk politikk i det 20. århundre: verdivalg i en åpen økonomi*, 270.

¹⁷² Notaker, *Høyres historie*, 47.

¹⁷³ Hanisch, *Norsk økonomisk politikk i det 20. århundre: verdivalg i en åpen økonomi*, 271.

¹⁷⁴ Notaker, *Høyres historie*, 48.

different opinions. However, Høyre did not succeed in their aim to change and restructure Norwegian economic policy. They planned to implement changes over time. First, cuts in public expenditure needed to be made. This was necessary because it enabled the government to implement other deregulative measures such as tax cuts, easier access to loans, and to increase competition by controlling inflation. In practice, this proved to be difficult because the Willoch governments had difficulties finding expenses they were willing to cut completely. After 1983, the coalition government including Høyre, the Christian Democrats, and the Centre Party, made things even more complicated as the two newest members of government did not share Høyre's ambitions of tax relief or cuts in expenditure.¹⁷⁵ Secondly, after necessary cuts in expenses had been made, the plan was to let the banks decide more over their lending capacity. However, since making cuts in expenses proved to be a challenge, the government wanted to deregulate the banks. This resulted in an economy that, according to economic historians Einar Lie and Christian Venneslan, was out of control. Public expenditure continued at high levels, but now the banks abolished lending limits and low interest rates.¹⁷⁶ This had severe consequences for both housing prices and the amount of loans or debt among the public, and, it created expenses no one had predicted. The government never regained control over the situation.¹⁷⁷ In the General Election of 1985, Høyre and the supporting parties lost their majority. In May 1986, the opposition initiated a vote of no confidence in the Storting based on Høyre's restrictive economic measures, including an increase of fuel tax. Consequently, the Willoch government turned in their resignation and the Labour Party came to power.¹⁷⁸

Capitalism and Economic Inequalities

Another consequence of credit deregulation and easier access to loans was an increase of consumption. During the last couple of years of Høyre's time in government there was an increase in consumption and a development of economic individualism in Norwegian society. The reason for the increased consumption were complex. Most people had more money and purchasing power than before due to changes in social structure; more women were educated, employed, and provided their household with an extra income. Another important factor was

¹⁷⁵ Notaker, *Høyres historie*, 99.

¹⁷⁶ *Ibid.*, 100.

¹⁷⁷ *Ibid.*, 108.

¹⁷⁸ "Kåre Willochs regjering", *Regjeringen.no*, <https://www.regjeringen.no/no/om-regjeringa/tidligere-regjeringer-og-historie/sok-i-regjeringer-siden-1814/historiske-regjeringer/regjeringer/kare-willochs-regjering-1981-1986/id438728/>

how the economic policies were deregulated resulting in easier access to loans due to the deregulation of the banks. The increase of consumption was also evident in the housing market that was deregulated and subjected to market forces.

In his discussions with Torbjørn Røe Isaksen, Kåre Willoch stressed the importance of capitalists in a capitalist society. Without them, there would be no capitalism. And with capitalism, some degree of inequality among the people was inevitable. The aspect of inequality was also related to how Høyre wanted to organise the state's priorities. The social democratic approaches to the individual and self-sufficiency were collectivist. Everyone should be given the same opportunities in order to achieve as high level of equality in society as possible. Høyre had a different approach. They argued that the best way to achieve prospering individuals, businesses, and a growing economy, was to no longer protect the losers in society to the same degree, but instead to encourage and promote potential winners.¹⁷⁹

Høyre's way to strengthen the position of the individual in society was to facilitate competition, encourage effort, and to accept some social inequalities as the price to pay for a general improvement of most people's quality of life. That being said, Willoch saw the importance of moderation and argued that too much social and economic inequality between people was damaging for society. However, he stressed that effort must be encouraged and rewarded. Effort and necessary prerequisites for the same amount of effort are not the same for everyone and therefore, differences and some inequality are inevitable. What the government can do, however, is to make sure that these differences do not become too big. Additionally, Willoch emphasised the aspect of freedom. He argued that there are possibilities for a better quality of life when individual effort is facilitated and encouraged, because people have different and varying qualifications, interests, and opportunities.¹⁸⁰

Comparison

There were arguably few similarities between the economic policies that were actually implemented by the Thatcher governments and the Willoch governments in this period, even if the two parties and leaders did share some elements of a common outlook when it came to

¹⁷⁹ Notaker, *Høyres historie*, 43.

¹⁸⁰ Isaksen and Willoch, *Alt med måte*, 220-221.

political principles or how an economy might best function. The main reason for this argument is that there was a significant difference between the two countries when it comes to how severe the economic policies, and consequently, the following changes were. Britain endured several changes and conflicts on a much higher level than in Norway. Willoch himself argues that this was due to the difference of economic problems, or the severity of the problems, the two countries were facing at the time.¹⁸¹

Several of the economic issues found in Britain in the 1980s were also prominent in Norway at the same time. Willoch is, nevertheless, right in his explanation of the reason for the different measures implemented by the two different Conservative governments. In Britain, both inflation levels and unemployment levels were higher than in Norway. British and Norwegian levels of inflation resembled each other more than those of unemployment. Inflation in Britain reached a high in 1980 with 16,4 per cent whereas in Norway it reached 13,4 per cent the same year, one year before Høyre came to power.¹⁸² Unemployment levels in Britain increased to 12 per cent between July and September 1983, while it reached 3,4 per cent in Norway the same year.¹⁸³

Similar to the Thatcherites, Høyre wanted to roll back the state, reduce taxes, reduce inflationary pressure, and increase flexibility in the economy. However, measures to achieve this were not implemented in Norway to the same extent as in Britain. Høyre planned to make changes over time and were not as radical in terms of policy implementation as the Thatcher governments were in Britain. However, Høyre did not manage to reduce public expenditure enough to reduce inflationary pressure and reduce taxation. The expansion of credit levels resulted in a massive increase in demand and consequently increased inflation. In short, big, structural changes were not enacted in Norway. Instead, credit markets were liberated without any necessary changes within financial institution regulations, taxation of loans, or interest rates. Credit volumes were freely released, a measure that was popular at the time and did not result in any particular conflict to the extent which Thatcher experienced because of her government's reforms.¹⁸⁴ One important aspect in this regard is the difference between Høyre

¹⁸¹ Isaksen and Willoch, *Alt med måte*, 146.

¹⁸² Rune Pedersen, "Inflasjonsstatistikk", *Smarte Penger*, 11 January, 2021, <https://www.smartepenger.no/div/777-inflasjonsstatistikk>

¹⁸³ "Arbeid", *Samfunnsspeilet*, 2003/4, SSB, 26 September, 2003, <https://www.ssb.no/arbeid-og-lonn/artikler-og-publikasjoner/arbeid--31081>

¹⁸⁴ Einar Lie, "Jernladyer", *Aftenposten*, 18 April, 2013, <https://www.aftenposten.no/meninger/kommentar/i/awbjE/jernladyer>.

and the Conservative party when it comes to the structure of their respective governments. Whereas Thatcher was Prime Minister in a one-party majority government, Willoch was leading a government that was a minority one-party government for two years, and in 1983 the government was extended by two coalition parties that affected the policy making and Høyre's ability to make political breakthroughs on key areas, such as tax reliefs and an increase of interest rates.

Conclusion

Both Margaret Thatcher and Kåre Willoch came to power in economically challenging times. The problems of the 1970s had repercussions and continued to develop into the 1980s, which affected the political and economic situation in both Britain and Norway. Inflation and unemployment were important issues to tackle. However, the situation was more pressing in Britain than in Norway. Consequently, the measures implemented by the Conservative Party were more severe than the ones that Høyre needed to, or were able, to implement. This is evident in the Conservative Party's approach to inflation, their dedication to make cuts in public expenditure, and their aim to weaken the position of trade unions.

Even though the circumstances in Britain and Norway were different, the Conservative Party and Høyre shared similarities on an ideological level when it came to political principles and ideas about how to manage the economy and to create a more successful economy and society. However, due to the different circumstances and the fact that they had to operate in dissimilar political systems, the outcomes of their policies were different in scope. Thatcher was arguably more determined to make lasting changes than Willoch when it came to economic policy. Whereas Thatcher had a strong motivation to change and rebuild the economy, and in addition destroy socialism, Willoch was more moderate in his approach to the reorganization of the Norwegian economy.

The economic theories that the Conservative Party and Høyre took influence from, such as monetarism, supply-side economics, and social market economy, were important in relation to how the two governments sought to solve the economic issues at hand. In addition to achieve a healthy and prospering economy, the policies implemented were also fundamental in both governments' aims to achieve a rolled back state and for the encouragement of individual prosperity and self-sufficiency. As we shall see in the following chapters, the economic

policies implemented laid the foundation for other policies in other areas such as social security and housing.

3 Housing Policy

Introduction

Housing policy is a vast and complex political area. It involves both economic and social policy and it affects people's lives in many ways, as individuals and as families. Therefore, housing policy is a relevant area to study in order to answer my thesis question. Housing policy was an important political sector for both Høyre and the Conservative Party because they could enact their Conservatism and political thought in a direction away from the social-democratic dominance that had started to decline, by implementing policies that would effectuate their ambitions regarding liberation of the individual and freedom for families.

This chapter builds on the previous one on economy and tax policies because there is a close relationship between these areas of policy. Some of the economic policies implemented between 1979 and 1990 in Britain and Norway were necessary in order to achieve the more specific goal of creating a larger number of property owners; for example, this process also relied upon tax relief and other economic deregulations.

The idea of creating a 'property-owning democracy' was a core Conservative idea, which linked housing policies to the goal of strengthening the position of the individual and the family in society. In both countries, this idea laid the foundation for their respective housing policies. In addition to liberating the individual and families, this fundamental idea was also meant to achieve a diffusion of power and a less interventionist state.

In Britain, the Right to Buy scheme was implemented as a way of effectuating the idea of a property-owning democracy. The scheme gave tenants a right to buy their council houses at a discount price based on how long they had rented their dwellings. In Norway, the government used the idea of housing cooperatives to achieve its aim of freedom of ownership and a higher number of property owners. They also deregulated the housing market, leaving it up to market forces to regulate prices based on demand.

In both Britain and Norway, the 1980s mark a watershed in the history of housing policy. From a Norwegian point of view this is because it was the beginning of how we know it today with a free and open market, compared to how it was prior to the 1980s, when prices were

regulated by the government. It is interesting to study the ideological and political reasons for why the housing market was deregulated. One of the main arguments was that deregulation and a market-oriented outlook would result in a higher number of property owners. Today, we know that, especially during the last couple of years, it has become increasingly difficult to achieve that aim. In discussions about the housing market today, there are often made comments about how the difficulties people are experiencing today are a consequence partly due to the policies enacted during the 1980s. From a British perspective, the 1980s was the beginning of a decline in the amount of social housing due to the enactment of the Housing Act of 1980 and the Right to Buy Scheme. This chapter will only discuss circumstances within the context of Margaret Thatcher and Kåre Willoch as Prime Ministers of their respective countries, but the housing situation of today as a repercussion of what took place forty years ago, makes the issue of housing policy in the 1980s an interesting area to research.

Britain

The Conservatives valued the link between ownership, home, and family because the home was an environment in which values and the sense of belonging were shared. Roger Scruton, an advocate for traditional Conservatism, stated in his book, *The Meaning of Conservatism*, that “It is for this reason that conservatives have seen the family and private property as institutions which stand or fall together. The family has its life in the home, and the home demands property for its establishment”.¹⁸⁵ Scruton connects the Conservative valuation of the family as an important arena and their emphasis on property ownership. One of the most fundamental Conservative objectives was to preserve the role of the family in society, and therefore, ownership became crucial for the Thatcherites. Ultimately, the goal was to “make Britain the best housed nation in Europe”.¹⁸⁶

The Conservatives encouraged owner occupation for three main reasons, including independence and freedom for the individual and the family, better quality of life as homeowners than as tenants, and that it was a positive development for the taxpayer, as public expenditure would benefit from it. Subsidising council houses was seen to be more expensive

¹⁸⁵ King, *Housing Policy Transformed*, 31.

¹⁸⁶ Conservative Party, “The Conservative Manifesto, 1983”, *Margaret Thatcher Foundation*, <https://www.margaretthatcher.org/document/110859>

than tax relief.¹⁸⁷ In the Conservative policy statement from 1976, *The Right Approach*, the Conservative Party stated that

Our policies are designed to restore and defend individual freedom and responsibility. We mean to protect the individual from excessive interference by the State or by organisations licensed by the State, to stop the drift of power away from the people and their democratic institutions, and to give them more power as citizens, as owners and as consumers. We shall do this by better financial management, by reducing the proportion of the nation's wealth consumed by the State, by steadily easing the burden of Britain's debts, by lowering taxes when we can, by encouraging home ownership, by taking the first steps towards making this country a nation of worker owners [...].¹⁸⁸

This statement specifies that the Conservative Party intended to effectuate several of their fundamental ideas through the ambition of a property-owning democracy and the implementation of legislation, such as the Housing Act of 1980 and the Right to Buy scheme. Both the individual and the family would benefit from the Conservative policies they planned to carry out once in government and it would also lead Britain away from Socialism or social-democratic influences; in other words, it would 'roll back the frontiers of the state' in the area of housing policy.

The Development of 'Right to Buy'

'Council housing' is the term used for public housing constructed by and provided for local government in Britain. In 1979, when Margaret Thatcher became Prime Minister, approximately 32% of all dwellings in Britain were council houses, which amounted to around 6,5 million properties.¹⁸⁹ What initially was attractive about council houses for tenants was low costs. Rent was usually lower than those for privately-owned properties.

Additionally, most of the maintenance costs were covered by the local authorities. The central government made this possible by providing subsidies for construction. Council houses were generally perceived as a successful solution to a social problem, but the costs were heavy for both local and central government due to the subsidisation and maintenance costs.¹⁹⁰

The construction of council houses peaked in the early 1950s, but it continued until the 1970s. Throughout this period Conservatives emphasised home ownership as a way to distribute

¹⁸⁷ King, *Housing Policy Transformed*, 56.

¹⁸⁸ Conservative Party, "The Right Approach (Conservative Policy Statement)", *Margaret Thatcher Foundation*, 71, <https://www.margaretthatcher.org/document/109439>

¹⁸⁹ Disney and Luo, "The right to buy public housing in Britain: a welfare analysis", 3.

¹⁹⁰ *Ibid.*

wealth and power. As this idea became more prominent, Conservative local authorities became even more aware of the economic burden of council houses and saw potential by having a higher share of homeowners from a social perspective. Local authorities laid pressure on central government to implement a policy that would make it possible for tenants to buy their council houses. When the central government became Conservative with Margaret Thatcher as Prime Minister in 1979, the measures needed to get this policy in place were provided.¹⁹¹

The Housing Act of 1980 included security of tenure and it gave tenants a right to buy their own home.¹⁹² This act also laid the foundation for the Conservative Party's whole housing policy between 1979 and 1990. The Right to Buy became a significant scheme that increased the share of ownership among householders from 55% in 1979 to over 70% in the early 2000s.¹⁹³

Michael Heseltine, in his role as Secretary of State for the Environment, was in charge of implementing the legislation Housing Act of 1980. Heseltine noted that "Certainly no single piece of legislation has enabled the transfer of so much capital wealth from the State to the people".¹⁹⁴ The act was intended as a contribution to the reverse of the decline the Conservative Party argued that Britain was facing. Encouraging people to become more independent from public sector resources was a central issue, because that would enable the government to concentrate the resources on those who had the most pressing problems.¹⁹⁵ In other words, the Housing Act of 1980 was a legislation implemented to achieve the core Conservative and Thatcherite aims of freedom and responsibility for individuals and families, and independence from the state.

In a reading of the Housing Bill in the House of Commons 15 January 1980, Heseltine presented its contents, including the Right to Buy. According to Heseltine, the Right to Buy had two main objectives. "First, to give people what they want, and, secondly, to reverse the trend of ever-increasing dominance of the State over the life of the individual".¹⁹⁶ The

¹⁹¹ Disney and Luo, "The right to buy public housing in Britain: a welfare analysis", 4.

¹⁹² "Housing Act 1980", *legislation.gov.uk*, Ch. 51, <https://www.legislation.gov.uk/ukpga/1980/51>

¹⁹³ Disney and Luo, "The right to buy public housing in Britain: a welfare analysis", 2.

¹⁹⁴ "Housing Bill", *Hansard*, <https://api.parliament.uk/historic-hansard/commons/1980/jan/15/housing-bill>

¹⁹⁵ *Ibid.*

¹⁹⁶ "Housing Bill"

Housing Act gave tenants a statutory right to buy their council house at a discount if they had lived there for at least three years. The discount was based on the length of the tenancy, starting at 33% and a maximum of 50% after twenty years' residence.¹⁹⁷

The tax cuts promised by the government would help people to raise the deposit for a mortgage. In the manifesto for 1979, the Conservative Party stated that their plans for cutting government spending and borrowing would lower mortgage rates. They claimed that due to the financial mismanagement from the previous Labour government, mortgage rates were so high that people were deterred from buying their homes.¹⁹⁸ According to the Conservative Party, in 1987 tax relief on mortgage interest had helped 8 million people becoming homeowners. This was a tactic the government relied on, and the Prime Minister herself stated that "So long as I am here, tax relief on mortgages will continue."¹⁹⁹

In the Conservative Party Campaign Guide 1983, where they presented how their 1979 programme worked out in practice, they announced that owner occupiers now accounted for about 59 per cent of all households in England and Wales. According to *The General Household Survey 1978*, owner-occupation was preferred by 75 per cent of the whole population, and by 90 per cent of those under the age of 45.²⁰⁰ In 1987, 80 per cent of people in the ages 20 to 24 saw ownership as the best housing arrangement.²⁰¹ The number of owner-occupied dwellings in Britain increased by around 2,5 million between 1979 and 1987.²⁰² This indicates that the government had the people on their side in their ambition to achieve a high share of homeowners.

The individual and social reasons for the Right to Buy were many and significant for the Thatcherite project. However, there were also economic aspects about it that made the scheme a valuable incentive for the government. The idea of a right to buy gained a new impetus with the economic turbulence in the 1970s and the following increase of public expenditure and public sector borrowing requirement.²⁰³ In 1976, Nigel Lawson, in a paper for the 'Public

¹⁹⁷ Disney and Luo, "The right to buy public housing in Britain: a welfare analysis", 4.

¹⁹⁸ Conservative Party, "The Campaign Guide 1983", 550.

¹⁹⁹ *Hansard*, 25th July 1985, Col. 1301, in "The Campaign Guide 1987", 66, <https://c59574e9047e61130f13-3f71d0fe2b653c4f00f32175760e96e7.ssl.cf1.rackcdn.com/788AE7FC40A548E387A5BBE652B387F7.pdf>

²⁰⁰ Conservative Party, "The Campaign Guide 1983", 267, <https://c59574e9047e61130f13-3f71d0fe2b653c4f00f32175760e96e7.ssl.cf1.rackcdn.com/CA0B1DF2EC494228BB66A9C59F82BE46.pdf>

²⁰¹ Conservative Party, "The Campaign Guide 1987", 352.

²⁰² *Ibid.*, 65.

²⁰³ Davies, "'Right to Buy': The Development of a Conservative Housing Policy, 1945-1980", 437.

Sector Policy Group, stated that in the early 1970s, public expenditure on housing had increased by 107 per cent, deeming the housing sector to be a “unique scope for really massive public expenditure cuts”.²⁰⁴ Central for the Thatcher governments between 1979 and 1990 was the need to make cuts in public expenditure. Housing proved to be a valuable sector to target in order to reduce public spending because there were private sector alternatives that were well-functioning.²⁰⁵ Privatising schemes such as the Right to Buy gave the Thatcherites the opportunity to achieve two of their main objects, namely a property-owning democracy and cuts in public expenditure.

Rented Housing

Facilitating property ownership was high on the list of priorities for the Conservative Party between 1979 and 1990. But owning one’s own home was not a suitable solution for everyone. The Thatcher governments therefore sought to do something about the renting market as well. Recognizing that many people, especially young and single, would like to rent a house, the Conservative Party intended to improve the quality of so-called ‘difficult-to-let’ housing. This type of housing, characterised by poor quality, little to no waiting-list, and high rates of tenancy turnover²⁰⁶, amounted to 6 per cent of the total local authority housing stock in 1983.²⁰⁷ In some areas, privately rented accommodation was practically non-existent. The Conservative Party blamed this situation on a too interventionist state in housing provision, by previous Labour governments.²⁰⁸ Thatcherites argued that the failure of the rented sector resulted in a continuing high level of homelessness, not because of a lack of resources or a shortage of housing, but due to managed economy in the rented housing sector. By facilitating a market in rented housing, more people would be able to afford a home that suited their needs and preferences.²⁰⁹

Conservative Campaign against Socialism

The promotion of owner occupation through policies like the Right to Buy was also a part of the Conservative, and more specifically, Thatcherite, campaign against Socialism. An increased number of homeowners in British society would lead to a liberation of individuals

²⁰⁴ Ibid., 437-438.

²⁰⁵ Ibid., 438.

²⁰⁶ “Hard to let properties”, *LG Inform Plus*, 3 April, 2013, <http://id.esd.org.uk/service/85>

²⁰⁷ Conservative Party, “The Campaign Guide 1983”, 267.

²⁰⁸ Conservative Party, “The Campaign Guide 1987”, 352.

²⁰⁹ *Hansard*, 10th February 1987, Col. 183, in “The Campaign Guide 1987”, 353.

so that they could be more independent. Socialists had restricted individual freedom for decades and now, the Conservatives wanted to create more balance between rights for the individual and their responsibility to others. Ownership of property was according to the Conservative Party essential in the encouragement of personal responsibility, individual freedom, and diffusion of power. In contrast to Socialists, Conservatives are not egalitarians and the Conservatives acknowledged the fact that the ambition of achieving a high level of owner occupation would result in social and economic inequalities.²¹⁰ They justified the prospect of inequality by arguing that inequality was a necessary evil when enhancing opportunities, encouraging enterprise and innovation. By levelling down, making sure that everyone was equal socially and economically, opportunities, enterprise, and endeavour would decline.²¹¹

Norway

In a report to the in 1981, "St.meld. 61, Om boligpolitikk", a recommendation from the Ministry of Local Government and Labour, Høyre stated that their main objective in housing policy was to make sure every family and every individual were able to live in an affordable and sufficient dwelling.²¹² This ambition served as the foundation of Høyre's housing policy. Based on this motivation, the Willoch governments between 1981 and 1986 deregulated several sectors of housing policy and implemented legislation that intentionally would result in a higher share of homeowners in Norwegian society. Between 1981 and 1988 the number of homeowners in Norway went from 56,3 per cent to 63,7 per cent.²¹³

Changes within Norwegian Housing Policies

The shift in political thinking towards more market-oriented solutions in several countries from the 1970s was also evident in Norwegian housing policies. Since the early twentieth century there was a broad agreement across the Norwegian political spectrum that the best way to secure integration of all people within society was to provide decent housing. After the second world war, both the needs and ambitions regarding housing were high, and in order to achieve an improvement, the state had to take an executive responsibility. Supported by the

²¹⁰ King, *Housing Policy Transformed*, 54.

²¹¹ Ibid.

²¹² "St. meld. nr. 61 (1981-82) Om tillegg til St. meld. nr. 12 (1981-82) Om boligpolitikk", *Stortingsforhandlinger* Vol. 126, No. 3d, (1981/82): 2. https://urn.nb.no/URN:NBN:no-nb_digistorting_1981-82_part3_vol-d

²¹³ Kiøsterud, *Hvordan målene ble nådd – Hovedlinjer og erfaringer i norsk boligpolitikk*, 29.

Norwegian State Housing Bank, the state aimed to increase the construction of housing and additionally establish social and regional equality to a greater extent. To achieve this, Norwegian housing policy became characterised by interventionist, regulating and relatively paternalistic measures, but they included privately owned houses in the countryside and housing cooperatives in the cities. These solutions were subject to close relations between the state, local authorities, and housing associations.²¹⁴ This social-democratic approach to housing made this area of policy one of the fundamental aspects of the Norwegian welfare state, in addition to health services, education, and social security,²¹⁵ and served as the foundation of housing policy from after the second world war and into the 1980s.²¹⁶

The once prevailing idea that the state should initiate the construction of housing and lead it towards concrete and quantified end goals was pushed somewhat aside by the increasingly prominent market-oriented perspective. This shift in political thought involved a less interventionist state, deregulation, and a stepping away from low interest rate policies that had dominated the post-war period.²¹⁷ Deregulation in relation to housing policy involved the abolishment of restrictions on the buying, selling, and renting of property.²¹⁸ Instead, Høyre trusted that the market would facilitate housing preferences and needs, meaning minimal regulation and intervention from the state, and, consequently, the public expectations and wishes were able to be fulfilled because of the establishment of more reasonable prices on houses.²¹⁹

Property-Owning Democracy

During the whole period between 1981 to 1986 one of Høyre's primary aims was that every citizen should be able to acquire housing at an affordable price.²²⁰ The background for this goal was the Conservative idea of a property-owning democracy. There were several reasons why Høyre idealised this idea. Jan P. Syse, Minister of Industry in the Høyre government between 1983 and 1985, argued that the most important argument for a property-owning democracy was experience. He based this on the fact that the world has never known a free

²¹⁴ Hammer, *Sosialdemokrati versus nyliberalisme*, 141.

²¹⁵ *Ibid.*, 205.

²¹⁶ *Ibid.*, 206.

²¹⁷ *Ibid.*, 214.

²¹⁸ *Ibid.*, 216.

²¹⁹ *Ibid.*, 208.

²²⁰ Høyre, *Høyres arbeidsprogram*, 69.

society without private property rights.²²¹ As Conservatives, Høyre saw this idea as something bigger than just owning your own home. A property-owning democracy facilitates individual freedom to a bigger extent, because it enables people to own something on their own instead of having access to it through a community or society.²²² Additionally, home ownership provided people with a greater freedom of action and influence over their own lives.

The idea of a property-owning democracy was about spreading power over a bigger part of the population, in the form of private property, or more generally, economic ownership to prevent monopolies. Consequently, this diffusion of power would diminish the power of the state.²²³ In the Party Manifesto for 1981-1985, Høyre argued that the idea of being able to employ regulations to avoid and solve housing problems, resulted in an increased division between the individual and the state, due to comprehensive legislations and regulations in addition to enlarged bureaucracy and confusing case processing.²²⁴ The only regulations of the housing market Høyre saw necessary were the ones that would constrain housing speculation.²²⁵ Other than that, the state would not intervene.

In a pamphlet regarding Høyre's visions and aims, the minister of industry, Jan P. Syse, argued that Conservatives view individuals as both individualistic and a social creature, but first and foremost they are family members. Syse emphasised the role that the family plays in the internalization of values and how they are passed on to the next generation. Syse and Høyre saw property ownership as a way to preserve this tradition and to make sure that the family's important role in society was upheld.²²⁶

The arguments in favour of a property-owning democracy also took into consideration how the times were changing. After the second world war, the main objective for the Labour government was to rebuild the country and to make sure the population had access to proper housing conditions, fundamental social security, and a decent education. There was a broad agreement between political parties across the spectrum that home ownership should be

²²¹ Jan P. Syse, "Selveierdemokrati – fra idé til handling", in *Hvor går Høyre?*, ed. Morten Steenstrup (Oslo, Cappelen, 1984), 72.

²²² Ibid.

²²³ Ibid.

²²⁴ Høyre, *Høyres arbeidsprogram*, 69.

²²⁵ Ibid., 75.

²²⁶ Syse, "Selveierdemokrati – fra idé til handling", 78.

promoted and it was seen as the preferred way to organise housing in Norway.²²⁷ There was, however, different views between the parties of how this could be achieved. Whereas the Labour Party embraced the solution of housing cooperations, in which members owned the whole block collectively, Høyre wanted to facilitate individual ownership. Syse argued in his article that the Labour Party, after the war, promoted apartment blocks instead of detached houses, not due to practical reasons, but as a goal for their preferred housing policy.²²⁸ Labour preferring apartment blocks was part of their ambition to create and maintain a society in which everyone was integrated and equal. Taking responsibility for housing conditions by increasing housing construction was an important measure to achieve Labour's ideal society.²²⁹ These welfare attributes also facilitated a change in how people lived their lives. There were born less children and more families had two incomes which resulted in a greater economic freedom for many. The means of production was no longer only reserved to a few, they became accessible for the bigger masses. Høyre saw it as an essential task to facilitate these opportunities, for instance by promoting home ownership.²³⁰

In an article in the newspaper *VG* in 1982, a woman interviewed stated that “we all dream of becoming property owners”.²³¹ This article was written shortly after the government had announced their plans of increasing the price rates of flats and houses in housing cooperations. At the same time, another newspaper, *Aftenposten*, published a poll that showed that 9 out of 10 Norwegians would rather own their own home instead of being bound to a housing cooperation.²³² This general mood of wanting to become property owners throughout the public, enabled Høyre in their work towards a freer and more open housing market. Additionally, significant reasons why housing was an ideal area to deregulate was that the measures needed were popular among the voters and positive from an economic perspective because they did not result in an increase of public expenditure.²³³

Means to Achieve a Property-Owning Democracy

In order to achieve their goal of more privately owned housing, Høyre needed to implement several measures. The most important and consequential means were economic, which make

²²⁷ Kiøsterud, *Hvordan målene ble nådd – Hovedlinjer og erfaringer i norsk boligpolitikk*, 28.

²²⁸ Syse, “Selveierdemokrati – fra idé til handling”, 74.

²²⁹ Hammer, *Sosialdemokrati versus nyliberalisme*, 217.

²³⁰ Syse, “Selveierdemokrati – fra idé til handling”, 75.

²³¹ Notaker, *Høyres historie*, 105.

²³² *Ibid.*

²³³ *Ibid.*, 108.

Norwegian housing policy in the 1980s just as economically as socially important. The government made several economic deregulations and changes regarding tax, interest rates, and credit.

In 1984, Willoch's government repealed quantitative regulations regarding bank loans, without raising the interest rates. With moderate growth in both international and Norwegian economy in late 1983 and early 1984, the timing of this deregulation, was not unreasonable. However, what the government had not predicted was the banks' commitment to increasing their earnings and many banks outlined a yearly increase of their lending capacities from 20 to 40 per cent. Due to low interest rates loans were in high demand.²³⁴ There were several motors behind the increase in loans. A significant one was the repeal of the pricing regulations on independent housing cooperatives in 1982. This, in addition to easier access to relatively cheap loans, resulted in skyrocketing prices on dwellings.²³⁵ To make it easier for young people to buy their own home, Høyre argued that it had to be more profitable for people to save money in the purpose of buying a home. They would do so by giving tax deductions.²³⁶ Saving money was encouraged because that would provide economic independence for individuals and families and help enable people to buy their own home, which would lead the country closer to becoming a property-owning democracy.

Form of Ownership

Høyre worked to ensure that everyone who wanted one should be able to purchase their own house or apartment. Because of this ambition, these forms of property ownership became central issues for Høyre. One way to achieve this, in addition to the abovementioned economic ones, was letting people decide on the type of ownership that their houses would be subject to. Therefore, the reintroduction of being able to dissolve independent housing cooperatives was a significant aspect in Høyre's housing policy.²³⁷

A housing cooperation, or *borettslag*, in Norwegian, gives each member a right to buy a particular unit within, for instance, an apartment block. The housing cooperation collectively owns the block and the property, which gives every partholder indirect ownership of their

²³⁴ Bjørn Skogstad Aamo, "Boligmarkedet som kilde til finansielle kriser", *Tidsskrift for boligforskning* No. 2 (2019): 69.

²³⁵ Notaker, *Høyres historie*, 108.

²³⁶ Høyre, *Høyres arbeidsprogram*, 71.

²³⁷ *Ibid.*

unit. Housing cooperatives are either independent or associated with a building cooperative. This way of organising housing started in the 1930s. Building cooperatives built houses that were assigned to its members, and when the dwellings were finished they were run by a housing cooperative consisting of those members who moved in. One reason for organising it this way was to prevent dwellings from being affected by economic issues or a possible bankruptcy of the building cooperative. In 1960 the Housing Cooperatives Act was passed, which permitted housing cooperatives to dissolve. Because of price regulations and negative tax schemes many cooperations found it beneficiary to dissolve. At the same time, the dissolution of housing cooperatives weakened their once strong position within Norwegian housing policy, a position the left-wing parties preferred to be strong. Therefore, in 1974 the Labour government implemented an amendment making it impossible for a cooperative to dissolve without permission from the Ministry of Local Government and Labour. After Høyre won the election in 1981, they implemented free right of dissolution to all independent cooperatives.²³⁸ This was an important aspect in relation to the idea of a property-owning democracy because it facilitated a distribution of power and gave individuals and families who could afford to buy a greater sense of freedom, responsibility, and influence over their own lives.

Høyrebølgen and Housing Policy

How Høyrebølgen affected housing policies in Norway during the 1980s can be interpreted in many different ways.²³⁹ One of those ways includes looking at the market and how freedom for the individual was promoted. The Willoch government's deregulation of the housing market coincided with several of their other actions in order to achieve a freer and more open society.²⁴⁰ The changes in housing policy represented an aspiration to realise a change in policy, from excessive equality, a focus on unity, and standardised solutions, to more freedom of choice and diversity.²⁴¹ The development of a market-oriented perspective and a gradual reduction of governmental transfers became significant already in the 1970s, indicating that Willoch and his governments in the 1980s continued on a process that was initiated before Høyre became the leading party.²⁴² The measures that the Willoch governments employed to

²³⁸ Aakre, Bjørn, Christian Fr Whyller and Harald Benestad Anderssen, "Borettslag", *Store norske leksikon*, 21 June, 2020, <https://snl.no/borettslag>

²³⁹ Hammer, *Sosialdemokrati versus nyliberalisme*, 207.

²⁴⁰ *Ibid.*, 208.

²⁴¹ *Ibid.*

²⁴² Hammer, *Sosialdemokrati versus nyliberalisme*, 214.

achieve their goals contrasted with those of the Labour governments in the 1970s, by their deregulation policies and non-interventionist approach. However, from a bigger perspective, the deregulation of the housing market and free dissolution of independent housing cooperatives were part of a long-term development, and arguably an inevitable consequence of the general market oriented political outlook.

Comparison

The Conservative Party and Høyre shared the ideological background for their respective housing policies. Both parties were advocates for the core Conservative idea of a property-owning democracy and facilitating people's ability to buy their own home. In both countries, the majority of the public favoured owning their own house, giving the Conservative Party and Høyre pivotal support regarding one of their most fundamental political aspirations.

When looking at the reasons for why the Conservative Party and Høyre promoted home ownership and a housing market depending on market forces, it is noticeable that both parties were driven and motivated by the same aims. As discussed in chapter one and two of this thesis, both parties were emphasising the importance of liberating the individual, promoting freedom of choice, personal responsibility, and they were encouraging unstandardised solutions to challenges in society. The family was perceived as one of the most important institutions in society, in which values and morality were shared across generations.

Additionally, both parties promoted a less interventionist state that would only intervene when necessary. The governments of Thatcher and Willoch sought to achieve these aims by endorsing the property-owning democracy. Accordingly, this would result in a liberation of the individual and contribute to create a bigger sense of responsibility and freedom for everyone. By spreading home ownership among the public, the power of the state would be diffused. Both parties also saw the economic significance of a higher share of homeowners. Instead of spending public money on subsidies, the state would give people tax relief which could facilitate bigger cuts in public expenditure.

When it comes to the differences between the Conservative Party's and Høyre's housing policies one must concentrate on *how* they sought to achieve a market-oriented housing sector and a property-owning democracy. There are some similarities when it comes to this as well,

such as the economic measures they implemented, like tax relief. The clearest difference is found when looking at what they specifically did to reach their aims.

In Britain a specific scheme was enacted to make it easier for people to buy their own house. The Right to Buy scheme gave tenants a discount based on the length of their tenancy and it resulted in a massive increase of homeowners in Britain between 1979 and 1990. In Norway, Høyre did not implement any specific, targeted housing policy equal to that in Britain, which would make more Norwegians homeowners to the same extent. But Høyre amended legislation regarding housing cooperatives, making it once again legal to dissolve independent cooperations. The measures that caused the biggest repercussions in Norway were the economic ones and the deregulation of the housing market. The combination of low interest rates and easier access to loans resulted in higher prices on houses due to the increase of demand. All things considered, there was an increase of individual homeowners in Norway during Kåre Willoch's premiership. Between 1981 and 1988 the number of homeowners in Norway increased by 7,4 percentage points, from 56,3 per cent to 63,7 per cent.²⁴³ Compared to the British numbers of 57 per cent ownership in 1979 and 64 per cent in 1987,²⁴⁴ this indicates quite similar outcomes number-wise of the housing policies in both countries.

Conclusion

In accordance with the thesis question, the purpose of this chapter has been to research how the governments in Britain and Norway between 1979 and 1990 tried to strengthen the position of the individual and the family through the implementation of acts of legislation and deregulation targeting the housing sector. The Thatcher governments and the Willoch governments had the same goal of a property-owning democracy in which the individual and the family were liberated by the ownership of their own dwellings. By further distributing property and making more people independent from state provisions, the power of the state was diminished in this area. These ideas were all fundamental to both Thatcherite and Høyrebølgen ideas.

The housing policies in Britain and Norway between 1979 and 1990 were socially and economically significant, for both the Conservative Party and Høyre, and British and Norwegian citizens. The housing policies of the 1980s were one of the political areas in which

²⁴³ Kjøsterud, *Hvordan målene ble nådd – Hovedlinjer og erfaringer i norsk boligpolitikk*, 29.

²⁴⁴ Conservative Party, "The Campaign Guide 1987", 65.

the market-oriented political thought and the influences of the New Right and Neoliberalism were most prominent, and contributed to changes that are still part of how the housing sector is organised today.

4 Social Security and the Welfare State

Introduction

This chapter looks at how and to what extent both the Conservative Party and Høyre tried to improve the position of the individual and the family in society through their respective social security policies. Social security is an important area of government policy where the state has played a major role and taken on significant responsibilities for the welfare of people. This sense of ‘collective’ responsibility was certainly heavily associated with social security policies of governments up to the 1970s. Therefore, social security is a useful case study to analyse in this thesis because both parties were in favour of rolling back the state and interested in increasing individual responsibility instead.

One important issue concerning each party’s approach to social security is their respective perception of the welfare state. To build up a well-functioning welfare state was a priority for many European countries after the Second World War. One important inspiration in this regard was the British Beveridge Report from 1942, in both countries. The Report influenced Norwegian politicians in their work to developing a welfare model, including the principle of universalism. Despite the common source of inspiration, the development of the welfare state took different directions in different countries. In Britain, the welfare system has been described as liberal, whereas in Norway the welfare system was social-democratic.²⁴⁵

The Conservative Party’s social security policies in the 1980s were shaped by the core Thatcherite ideas of rolling back the state and putting more responsibility for welfare on individuals themselves. Measures that were important for Thatcherite policy more broadly like deregulation, privatization, making cuts to public expenditure, and a strong emphasis on individualism and self-reliance were just as important in the social policy arena. The Thatcher government saw social security as a privilege that was achieved through the cooperation between the state and the individual.²⁴⁶ Therefore, during this period, the role of the state in welfare and social security policies was reduced and more of the responsibility was put on individuals and their families.

²⁴⁵ Francis Sejersted, *Sosialdemokratiets tidsalder: Norge og Sverige i det 20. århundre*, (Oslo, Pax Forlag, 2013), 293.

²⁴⁶ Margaret Jones and Rodney Lowe, *From Beveridge to Blair: The first fifty years of Britain’s welfare state 1948-98* (Manchester, Manchester University Press, 2002), 44.

In Norway, the main issue regarding welfare and social security policies was how Høyre was going to reorganise, modernise, and most importantly, finance the welfare state in the face of economic stagnation and unemployment. They saw unemployment as the biggest threat towards the welfare state and therefore prioritised policies that would initiate economic growth and a high level of employment. To maintain a high level of social security in Norway Høyre wanted to facilitate an increase of private initiatives in social security services. In addition to providing the individual and families with a greater freedom of choice, they believed that a more extensive presence of private actors in welfare services would result in competition between actors that the individual would benefit from because of increases in efficiency.

The purpose of this chapter is to emphasise the social security policies that the Conservative Party and Høyre initiated between 1979 and 1990. Additionally, the chapter will focus on both parties' general approach to the welfare state, as this affected their political outlook in the area of social security. As we shall see, their different approach to the welfare state resulted in a significant difference between how and to what extent they prioritised social security services.

Britain

The Conservative Party stated in their election manifesto of 1979 that their main goals regarding social security policies were to make better use of the available resources, simplify and decentralise the Health Service and cut back bureaucracy.²⁴⁷ The reasons for this approach to social security policies were the Thatcherite notion that the welfare state and social security policies should be a safety net for the very poorest minority. During the eleven years Margaret Thatcher was prime minister in Britain the British welfare state was gradually modified to better reflect Thatcherite values. Prevention of poverty had since 1945 been the main objective of the expansion of the welfare state, a development that promoted a concept of social citizenship in which the state provided strong individual rights to material protection. During the 1980s, however, this social citizenship was reformed to emphasise the responsibility of each individual.²⁴⁸ There was a strong sense of individualism in their policies

²⁴⁷ Conservative Party, "The Campaign Guide 1983", 552.

²⁴⁸ Bernhard Rieger, "Making Britain Work Again: Unemployment and the Remaking of British Social Policy in the Eighties", *The English Historical Review* Vol. 133, No. 562 (2018): 635.

but also their rhetoric. Thatcher stated that “It is our duty to look after ourselves and then also to help look after our neighbour ...”,²⁴⁹ a statement that catches the essence of the Thatcherite policies from 1979 to 1990.

The British Conservative Party and the Welfare State

The establishment of the British welfare state was broadly based on the contents of social economist William Beveridge’s report, “Social Insurance and Allied Services”. The inspiration behind this report was Beveridge’s work with a charitable organization in London where he realised that philanthropy was not sufficient when battling social inequality and that government action would be the only sufficient measure to the problem. The report proposed a social program that aimed to secure British citizens ‘from cradle to the grave’ and included a free national health service and universal, not means-tested, benefits, and additionally, an emphasis on individual responsibility.²⁵⁰

The Thatcherites were firmly opposed to a culture of dependency, which they argued the welfare state encouraged. In an interview with *Woman’s Own* Thatcher stated, “I think we’ve been through a period where too many people have been given to understand that if they have a problem, it’s the government’s job to cope with it ... they’re casting their problem on society”.²⁵¹ According to the Thatcherites, welfare benefits contributed to the poor condition of Britain, both economically and morally. It facilitated the breakdown of families and disincentivised core Thatcherite values like self-reliance.²⁵² It was, therefore, a priority to level the social security services at a bare minimum.

The welfare system relied on a distribution of resources. Whereas the Labour Party in government intended to use their power as a tool to generate equality,²⁵³ the Conservative Party saw inequality as something natural and as a desirable state of society.²⁵⁴ This indicates a clear difference between the Labour Party and the Conservative Party concerning how they perceived the welfare state and its function. Due to the Thatcherites’ lack of interest to

²⁴⁹ “Interview for *Woman’s Own* (“no such thing as society”), *Margaret Thatcher Foundation*, <https://www.margaretthatcher.org/document/106689>.

²⁵⁰ “1942 Beveridge Report”, *UK Parliament*, <https://www.parliament.uk/about/living-heritage/transformingsociety/livinglearning/coll-9-health1/coll-9-health/>

²⁵¹ *Woman’s Own*, 31 October 1987, in Pat Thane, *Divided Kingdom: A History of Britain, 1900 to the Present*, (Cambridge, Cambridge University Press, 2018), 375.

²⁵² Thane, *Divided Kingdom*, 354.

²⁵³ Jones and Lowe, *From Beveridge to Blair*, 25.

²⁵⁴ Thane, *Divided Kingdom*, 346.

generate equality their unenthusiastic approach to it as an expensive, demoralising, and limiting institution is consequential. As Keith Joseph, Secretary of State for Education and Science, wrote in 1978, “The pursuit of equality has done, and is doing, more harm, stunting the incentives and rewards that are essential to having a successful economy”.²⁵⁵

Thatcherite Social Security Policy

After the Conservatives formed a government in 1979, the generosity of the social security system came under attack. Social security was the most expensive welfare policy, costing twice as much as any other social service, and by the 1960s it overtook defence as the largest item of government expenditure. One reason for its high expenditure rate is the fact that social security consists of cash benefits and is easily quantifiable.²⁵⁶ One of the Thatcher government’s first acts of changes in social security policy, and as a measure to cut costs, was to end the link between long-term benefits and earnings. The purpose of this was to limit social security only to the poorest minority and making it irrelevant for people on middle or high incomes. The Thatcherites feared that if the provisions were too generous working-classes and the under-class could rely increasingly on the state and not their own hard work.²⁵⁷

The Fowler Review

In 1985 the Secretary of State for Health and Social Security, Norman Fowler, announced the first comprehensive review of policy since the Beveridge Report. In the review, Fowler stated that the aim was “to pull all the strands together onto a consistent plan”²⁵⁸ and further explained, “The Government has shown their commitment to the welfare state, but we want a modern welfare state. We want a modern social security system which uses today’s methods to meet today’s needs”.²⁵⁹ The purpose of the review was to find out how social security policy could be designed in a way that reinforced personal independence instead of extending the power of the state.²⁶⁰ This could be achieved, according to Fowler, by making the social security system less complicated, target the help available more effectively to meet that need,

²⁵⁵ Keith Joseph, ‘Proclaim the Message. Keynes is Dead!’, in Thane, *Divided Kingdom*, 55.

²⁵⁶ Jones and Lowe, *From Beveridge to Blair*, 41-42.

²⁵⁷ Florence Sutcliffe-Braithwaite, “Margaret Thatcher, individualism and the welfare state”, *History & Policy*, 15 April, 2013, <https://www.historyandpolicy.org/opinion-articles/articles/margaret-thatcher-individualism-and-the-welfare-state>

²⁵⁸ *Parliamentary Debates*, vol 77, 22 April 1985, cols 637-9, in Jones and Lowe, *From Beveridge to Blair*, 56.

²⁵⁹ *Ibid.*

²⁶⁰ Lister, “Social Security in the 1980s”, 96.

and seeing social security as a part of the rest of government policy.²⁶¹ However, simplification was difficult mainly because of the complexity of people's lives, not as much due to bureaucracy as Fowler argued.²⁶²

The Fowler Review led to the 1986 Social Security Act. This piece of legislation was based on three major aims from the review. First, the government wanted to end the perceived advantage given by the Labour Party to those with state as opposed to private occupational pensions and cut costs in this expensive part of social security.²⁶³ They wanted to achieve this by shifting the responsibility for pensions to individuals, employers and the private market, but the Confederation of British Industry and the pensions industry opposed this due to the financial burden. Moreover, actuaries were concerned that most people lacked the financial skills to be able to manage private pensions and that the result would be exploitative mis-selling. Instead, Labour's pensions reform, SERPs, was implemented after it underwent some changes that impacted those with low earnings and interrupted work history negatively. The government used tax relief to encourage workers to take out deregulated private pensions. This led to an outcome in which at least 400,000 people were sold disadvantageous pensions.²⁶⁴ Secondly, the government wanted to restore the will to work and end the poverty trap, an increasingly severe issue they had been actively involved in the making of in the 1970s when they initiated extra financial assistance to low-paid working families.²⁶⁵ And finally, the Conservatives aimed to simplify the system and the administrative work by separating standard benefits; for example, Income Support, exceptional means-tested benefits, and the Social Fund.²⁶⁶ With the new Income Support system came new benefit scales that categorised claimants into broad types and failed to assess individual needs.²⁶⁷

Unemployment and Poverty

In the postwar period, there had been broad agreement about full employment, meaning an unemployment level below 3 per cent. However, in the 1970s there was a growing doubt whether the state could, or even should, guarantee full employment. In 1976 the Labour government abandoned the commitment of full employment. In a speech to the Labour Party

²⁶¹ Jones and Lowe, *From Beveridge to Blair*, 56-57.

²⁶² Thane, *Divided Kingdom*, 366.

²⁶³ Jones and Lowe, *From Beveridge to Blair*, 57.

²⁶⁴ Thane, *Divided Kingdom*, 366.

²⁶⁵ Jones and Lowe, *From Beveridge to Blair*, 57.

²⁶⁶ *Ibid.*

²⁶⁷ Thane, *Divided Kingdom*, 366.

conference that year, prime minister James Callaghan admitted that the traditional Keynesian policies proved to be more damaging rather than stimulating to the economy.²⁶⁸ In the 1983 Conservative manifesto, the Thatcherites stated that their ability to provide social security services depended on the wealth which the country produced.²⁶⁹ Therefore, controlling the level of unemployment was key. Whereas post-war Keynesianism perceived unemployment as an issue related to a decrease in demand, Neoliberalism saw unemployment as a result of a too interventionist state that regulated the workforce and expensive benefit schemes.²⁷⁰

One of the reasons for the Thatcherite scepticism towards the welfare state was that they believed that collective provisions for unemployment and sickness would act to disincentivise people's will to work. The Thatcherites believed that those out of work lacked sufficient motivation to seek work and aimed to create incentives that would act encouraging.²⁷¹ The government was convinced that many unemployed people were not seriously seeking work, and according to the Thatcherites, work was available to whoever wished to take it up. In 1988, the Social Security Secretary, John Moore asked in a speech: "Is it right that an able-bodied adult can draw unemployment benefit ... without making any real effort to find work?". The answer to this rhetorical question led to a new and more punitive social security legislation. Social security recipients became obliged to actively seek work in order to continue to receive financial support.²⁷² Additionally, the government implemented a reduction of income tax and of decreased the value of benefits relative to work as a means to make benefits as the only source of income less appealing. Tax on short-time unemployment and sickness benefits was also made a priority as it would remove the possibility of profiting from short-time unemployment.²⁷³ Since 1948 benefits for unemployment had barely kept pace with average earnings, and after Thatcher became prime minister the gap between the two increased.²⁷⁴

A measure the Conservatives employed to restore the will to work was reinforcing the rules about the unemployed accepting whatever job that was available. They were also determined

²⁶⁸ Jones and Lowe, *From Beveridge to Blair*, 8.

²⁶⁹ Conservative Party, "The Conservative Manifesto, 1983".

²⁷⁰ Mi Ah Schøyen, "Den norske velferdsstaten: En sosial investeringsstat?", *Tidsskrift for velferdsforskning* Vol. 19, No. 1 (2016), 9. doi: 10.18261/issn2464-3076-2016-01-01.

²⁷¹ Rieger, "Making Britain work again", 634.

²⁷² *Ibid.*, 659-660.

²⁷³ Sutcliffe-Braithwaite, "Margaret Thatcher, individualism and the welfare state".

²⁷⁴ Sutcliffe-Braithwaite, "Margaret Thatcher, individualism and the welfare state".

to act against fraud and abuse of benefits. This was a relevant issue in relation to unemployment too. The government did not doubt that some claimants were not genuine and abused the system. This idea was based on the Victorian distinction between the ‘deserving’ and the ‘undeserving’ poor.²⁷⁵ To prevent a culture of dependency, every poor person should be given help but not at a flat rate. In her memoirs, Thatcher described the background of this notion: “The problem with our welfare state was that ... we had failed to remember that distinction and so we provided the same ‘help’ to those who had genuinely fallen into difficulties and needed some support until they could get out of them, as to those who had simply lost the will or habit of work and self-improvement. The purpose of help must not be to allow people to live a half-life, but to restore their self-discipline and through that their self-esteem”.²⁷⁶ The notion of abuse was also emphasised as a way to justify the drastic cuts in provisions that the government implemented during this period.

Following her individualist approach, Thatcher believed that poverty was a result of personal, not social failings. She argued that people should be incentivised to commit to self-help and look to their family for support, a practice she believed the welfare state had undermined.²⁷⁷ More broadly, Thatcherites saw culture as one of the fundamental factors of poverty. Keith Joseph had a notion of the ‘cycle of deprivation’ which argued that inadequate parented children became inadequate parents themselves by living irresponsible, chaotic, and unproductive lives in dependency of the state.²⁷⁸ However, for many people, it was nearly impossible to get out of poverty under the circumstances of this government. The ‘poverty trap’ was a result of the government’s tax and benefit policies. Working people with low incomes faced high marginal tax rates from direct taxation and benefit withdrawal if they earned more than a certain limit.²⁷⁹

Family Policy

The family was regarded by the Thatcherites as one of the most important pillars of society. They saw families as fundamental in achieving a moral and prospering society. Their aim to

²⁷⁵ Jones and Lowe, *From Beveridge to Blair*, 43.

²⁷⁶ Margaret Thatcher, *The Downing Street Years*, (London, 1993). 625-7, in Jones and Lowe, *From Beveridge to Blair*, 54.

²⁷⁷ Thane, *Divided Kingdom*, 346.

²⁷⁸ Sutcliffe-Braithwaite, “Neo-liberalism and morality in the making of Thatcherite social policy”, 513.

²⁷⁹ John Hills, “Thatcherism, New Labour and the Welfare State”, (1998), 12, [http://eprints.lse.ac.uk/5553/1/Thatcherism New Labour and the Welfare State.pdf](http://eprints.lse.ac.uk/5553/1/Thatcherism%20New%20Labour%20and%20the%20Welfare%20State.pdf)

restore and improve the role of the family was evident in their rhetoric concerning most areas of policy, including social security. In the 1983 Conservative Campaign Guide, they emphasised their success in relieving families from the burden of taking care of family members needing care by improving the social security for disabled people and the elderly. Patrick Jenkin, Secretary of State for Social Services, stated in 1980 that “More elderly people are being looked after by their families than at any time in our history, and it is right to remind ourselves of that. ... It simply is not fair to accuse the modern family, as some do, of shuffling off its responsibilities onto the state.”²⁸⁰ They also stressed the importance of making statutory services more family-oriented to ease the burden on families.²⁸¹

However, during Thatcher’s time as prime minister, the economic support for families actually declined. When asked by the Church of England to prioritise child benefit, Thatcher responded that “the larger the child benefit, the more people look to the State to support the children for whom they are responsible and whom they brought into the world”.²⁸² Based on the idea that most people had families to support them several cuts in benefit expenses were made. Benefits for 18-25-year-olds were reduced in 1986. Two years later, the government withdrew Income Support for 16-year-olds and Child Benefit from those who did not attend full-time education or training. The burden increased for families when students lost benefits during vacations and became more dependent on support from their family. Young people without such support ended up under the responsibility of local authorities. While Thatcher remained concerned that several social problems were due to the breakdown of families, research tended to show that the main problem regarding social problems was poverty.²⁸³

Norway

The main goals of Høyre’s social policies between 1981 and 1986 were to maintain a high level of social security and to provide equal services to everyone regardless of age, social, economic or geographical background.²⁸⁴ To achieve this, a restructuring of the established welfare state was necessary. Høyre stressed the importance of a system based on universal,

²⁸⁰ Conservative Party, “The Campaign Guide 1983”, 262.

²⁸¹ Ibid.

²⁸² Sutcliffe-Braithwaite, “Neo-liberalism and morality in the making of Thatcherite social policy”, 512.

²⁸³ Thane, *Divided Kingdom*, 384.

²⁸⁴ Høyre, *Høyres program 1985/89: frihet og fellesskap – mulighetenes samfunn*, (Oslo, Høyre, 1985), 17, <https://www.nb.no/items/1a32dc01136d29ac7f28b821898ff939?page=0&searchText=h%C3%B8yre%20partiprogram%201985>

individual rights, as opposed to selective or heavily means-tested policies.²⁸⁵ To secure it, everyone, in all parts of the country, had access to sufficient social security services, and the main responsibility had to lie with the state. The best solution was a welfare state consisting of both public and private actors. Høyre saw it as unrealistic that families would act as primary caregivers for family members who were in need for care. It should be a right, not a duty, to care for your family. Høyre argued that if the private sector was allowed to take a greater part in the welfare state the overall services would be better, and consequently, a greater welfare society would be achieved.²⁸⁶

The Norwegian Welfare State

After the second world war, social-democratic forces gained an almost hegemonic position in Norway and the country has later been described as a social-democratic one-party state.²⁸⁷ In the summer of 1945 political parties across the spectrum developed a political programme called “Fellesprogrammet” which sought to highlight guidelines to follow during the process of rebuilding the country after the war.²⁸⁸ This led to a broad agreement between the parties about the need for a comprehensive benefit system to protect people in cases of sickness, unemployment, and old age. Fellesprogrammet led to the initiation of the National Insurance Scheme in 1948.²⁸⁹ Additionally, the British Beveridge Report was an important influence in the making of the Norwegian welfare state,²⁹⁰ for example in relation to the principle of universalism.²⁹¹ The welfare system in this period was characterised by a high level of social security, institutionalised and universal rights, and a high level of equality due to the focus on universalism and equality in the distribution of incomes among the working public. The period was also characterised by a high level of trust in the state and established social institutions.²⁹²

²⁸⁵ Annelise Høegh, “Velferdssamfunnets utfordringer”, in *Hvor går Høyre?*, ed. Morten Steenstrup (Oslo, Cappelen, 1984), 132.

²⁸⁶ *Ibid.*, 138.

²⁸⁷ Sejersted, *Sosialdemokratiets tidsalder*, 19.

²⁸⁸ “Fellesprogrammet”, *Store norske leksikon*, 15 February, 2017, <https://snl.no/Fellesprogrammet>.

²⁸⁹ Sejersted, *Sosialdemokratiets tidsalder*, 22-23.

²⁹⁰ Francis Sejersted, “Norge I etterkrigstiden”, *Store norske leksikon*, 12 May, 2021, https://snl.no/Norge_i_etterkrigstiden.

²⁹¹ Jones and Lowe, *From Beveridge to Blair*, 4.

²⁹² Sejersted, *Sosialdemokratiets tidsalder*, 20.

The state was the primary actor in the welfare state. One of its main tasks was to distribute welfare services and benefits righteously.²⁹³ However, in order to provide the best possible services for the public, private initiatives were also a part of the Norwegian welfare state. Different political parties had different approaches to private actors. Whereas the Labour Party favoured a welfare state predominantly administered by the public sector Høyre wanted to give private actors a greater part. From the 1980s the room for private initiatives grew significantly bigger.²⁹⁴ The social-democratic ideology behind the welfare state in Norway emphasised the notion that equality was achieved when everyone had access to and received the same high-quality social services, like healthcare and education. The Labour Party feared that if social services were to be chosen freely the weakest in society would have a disadvantage. They perceived freedom of choice as something that would affect the level of equality whereas Høyre emphasised the aspect of freedom higher than the level of equality.²⁹⁵

The Norwegian welfare model arguably included a conflict in terms of what it sought to protect. First, there was the notion of the individual as a member of a community in which everyone is in a responsible, binding relationship with each other. Second, the ambition of the welfare state was to make sure that each individual was economic and socially independent from social collectives. This last notion points to social benefits as individual rights and is the key point in the shift that took place in the 1980s, in which the focus changed from collectivism to individualism. This led to a change of mentality and how people perceived social services and benefits in a new way.²⁹⁶

The rapid changes in society in the 1970s and the 1980s had consequences that the established welfare system was not prepared for. This led to increased disbelief that the state alone was able to solve all social and healthcare-related problems in society. The welfare system was facing economic and practical challenges. High inflationary pressure and increasing unemployment were elements that contributed to the need for action and renewal of the welfare system.²⁹⁷ The public sector seemed to lack the method and resources to tackle these issues, and new ways to face the social developments like new family structures, and an

²⁹³ Paul A. Thyness, "Fra lokalsamfunnsarbeid til boligsosialt arbeid – reprise eller fornyelse?", *Nordisk sosialt arbeid* Vol. 24, No. 3 (2004): 243.

²⁹⁴ Ibid.

²⁹⁵ Sejersted, *Sosialdemokratiets tidsalder*, 469.

²⁹⁶ Ibid., 466-467.

²⁹⁷ Thyness, "Fra lokalsamfunnsarbeid til boligsosialt arbeid", 242.

increasing number of elderly people, had to be developed in order to maintain an efficient and functioning welfare state. The welfare state received criticism because it failed to maintain the level of social security it was supposed to secure. This increase of criticism can be seen as a reaction to central aspects of social democracy.²⁹⁸ Høyre took part in the political movement that wanted to move away from the collective solutions of the social democracy and encourage a higher level of individualism and freedom of choice.²⁹⁹

Høyre's Perception of the Welfare State and Social Policies

Kåre Willoch emphasised the difference between the welfare *state* and the welfare *society*. He argued that while the welfare state was a set of necessary institutions and professions that acted as important support systems for Norwegian citizens, it did not suffice in providing security, care and a sense of unity among people.³⁰⁰ When human social and health-related problems increase even though the social security sector is being strengthened, the real problems lie within the welfare society and not the welfare state, Willoch declared. There was therefore a need for a Conservative initiative encouraging the relationship between the individual and the state. Families, neighbours, communities, and voluntary organisations were all, according to Høyre, important networks in order to achieve a good society.³⁰¹

Høyre's expressed goal was to publicly provide sufficient social services in a more efficient way than their predecessors in the Labour Party.³⁰² Following their aim to encourage freedom of choice, they did not want to refuse private initiatives to offer social services. Høyre wanted fewer collective solutions and instead, they would facilitate individual freedom of choice whether it was related to social security, education, housing, or health care. This freedom of choice was to be realised through the use of markets or quasi-markets.³⁰³ Freedom of choice was also closely related to the issue of welfare state efficiency. Increasing the efficiency of the public sector was one of the main issues that Høyre wanted to take on once in government. By giving each individual more responsibility for their social situation the providers of these services, whether they be public or private, had to increase their competitiveness. This resulted in a bigger sense of freedom for the individual and it served as

²⁹⁸ Sejersted, *Sosialdemokratiets tidsalder*, 400.

²⁹⁹ Sejersted, *Sosialdemokratiets tidsalder*, 321.

³⁰⁰ Kåre Willoch, "Forord", *Hvor går Høyre?*. 9

³⁰¹ Ibid.

³⁰² Høegh, "Velferdssamfunnets utfordringer", 136.

³⁰³ Sejersted, *Sosialdemokratiets tidsalder*, 585.

a way of controlling and reducing public expenditure.³⁰⁴ Social democracy and the welfare state had led to a significant increase in public expenditure. Whereas in the 1930s there was a public expenditure rate of 10-20 per cent of the GDP, it had increased to around 50 per cent in 1975. Around half of these expenses were related to social reforms.³⁰⁵

Economic Growth and Unemployment

Høyre stressed that the welfare state's biggest challenges were economic stagnation and unemployment. In their manifestoes, the party emphasised that to maintain a welfare state that provided social security for every citizen they needed policies that initiated and encouraged economic growth. A healthy and growing economy acted as the fundament of a well-functioning welfare state. The main issue was how the welfare state and its services could be maintained and improved in a time of high inflation, unemployment, and other economic problems. Social reforms could not be initiated without a strong economy.³⁰⁶

Annelise Høegh, a member of the Standing Committee of Social Affairs, argued that in a time when medical and technological knowledge was at a very high level and was able to cure most conditions, the economic resources became a limitation.³⁰⁷ Therefore, Høyre wanted to make sure that those people in most need of welfare were the ones that stood first in line to receive it. By targeting new social reforms to those who were in most need, their living conditions would be better, and it would be possible to achieve this even in times of negative conjunctures.³⁰⁸ This was a part of Høyre's purpose to make the welfare system more efficient but also to strengthen the position of individuals and their rights. Høegh argued that if the welfare system continued to take from everyone and give to everyone, social reforms would not be possible to accomplish because a big portion of the resources and money are already earmarked.³⁰⁹

Høyre's primary solution to unemployment was economic growth. They believed that simply pouring more money into public budgets in order to fight unemployment would lead to increased prices. This was an unsocial result which only made the problem worse. The most

³⁰⁴ Ibid., 468-469.

³⁰⁵ Ibid., 385.

³⁰⁶ Høegh, "Velferdssamfunnets utfordringer", 133.

³⁰⁷ Ibid.

³⁰⁸ Ibid.

³⁰⁹ Ibid., 140.

vulnerable groups of society, including disabled people, families with children, and other people depending on benefits, would be most affected by higher prices as they were the ones that spent the highest percentage of their income on consumer goods.³¹⁰ Høyre also argued that elderly people were often seen as a homogenous group, but they were in fact as different as every other group in society. A general lowering of retirement age was counterproductive, especially from an economic and social point of view, and instead, facilitating conditions for elderly people who wanted to work was a stated goal in their manifestoes.³¹¹ Høyre's challenge as a Conservative party was to transform the welfare state in a way that facilitated demands of a diversity of both treatments, working hours, care, or retirement age.³¹²

Family Policy

Family policy was one of the most significant areas of social policy for Høyre in the 1970s and 1980s. In the years before they formed a government, discussions about issues like equality between men and women and abortion shaped the party and consequently affected their social policies while in government. These issues were elements that divided the traditional Conservatives and the feminism-oriented members of the party. There were disagreements concerning whether the party should prioritise supporting working women or facilitate families with one, male, provider. After the government was extended to include the Christian Democrats and the Centre Party in 1983, the latter view received the most support.³¹³ The compromise that all three parties of government supported was a family policy that focused on economic support for families with small children. This included child benefit and maternity and paternity leave. By providing wider support for families with small children, the government encouraged an increase in birth rates. The focus of support was on families in different situations instead of whether the family had one or two incomes. However, the government did propose measures that would improve conditions for working women by increasing maternity leave from 18 to 26 weeks.³¹⁴

Different forms of cohabitation became a divisive topic of debate within Høyre in their time in government. Some Høyre politicians were convinced that the norms, morality, and values

³¹⁰ Ibid., 133.

³¹¹ Høyre, *Høyres program perioden 1977-1981*, (Oslo, Høyre, 1977), 67. https://urn.nb.no/URN:NBN:no-nb_digibok_2014063008235

³¹² Høegh, "Velferdsstatens utfordringer", 139.

³¹³ Notaker, *Høyres historie*, 138.

³¹⁴ Notaker, *Høyres historie*, 139.

in society were under pressure and they saw cohabitation, and especially same-sex cohabitation, as a representation of a lack of respect for social and Christian institutions. Marriage was perceived to be the best and safest environment for children to grow up in, and also the moral foundation of society. Living together outside of marriage symbolised a missing sense of duty and self-control. However, Annelise Høegh, and other liberal members of the party, made contributions to the discussions that moved the party in a more liberal direction. Being in a coalition government affected this debate as the Christian Democrats managed to gather the government around the aim to support marriage as the primary form of cohabitation, based on the notion that this was the best environment for the upbringing of children.³¹⁵ Moreover, Høyre emphasised that even though marriage was encouraged, any legislation passed had to reflect reality and recognise that not everyone wanted to be married. By doing this they managed to somewhat include the notion of individualism and freedom of choice in an issue that the party traditionally had been quite principled about and now took a more pragmatic approach.³¹⁶

Comparison

Social security is one of the areas of policy where differences in how radical the Conservative Party and Høyre were in the 1980s is most evident. The two parties had different approaches to what the welfare state should be and how it should develop. Høyre had a much larger focus on continuation, preservation, and finding ways to maintain the high level of social security in times of economic recession and unemployment. The Conservative Party, on the other hand, wanted to reduce the significance of the welfare system due to the negative impact they argued it had on the economy, level of employment, efficiency, self-reliance, families, and morality.

Høyre experienced some limitations in terms of achieving political breakthroughs in this area because of being in a coalition government. This was, however, not the reason for the difference between Høyre and the Conservative Party's approach to social security and the welfare state. The difference in types of welfare system in the two countries is a significant factor. The welfare system in Britain has been described as liberal and the one in Norway as social-democratic. Arguably, the evidence presented in this chapter supports the use of these

³¹⁵ Notaker, *Høyres historie*, 140.

³¹⁶ *Ibid.*, 141.

broader definitions to help us distinguish between the two countries' systems and the frameworks within the two parties operated.

In Thatcher's Britain both poverty and income inequality increased. As we have seen, the Thatcherites did not strive to achieve equality through their policies. The level of inequality based on income or wealth increased in the UK between 1979 and 1986, from 28.4 per cent to 31.9 per cent. In Norway, the trend was reversed. The Gini coefficient went from 26.9 per cent in 1979 to 24.6 per cent in 1986.³¹⁷

Both parties supported the traditional family and encouraged marriage. They did, however, have different perceptions of which environment or circumstances that individuals and families would thrive in the most. Whereas the Conservative Party was convinced that too generous welfare services would result in a lack of effort and self-reliance from people, Høyre emphasised the importance of universal social security for everyone and that the sense of security and stability that principle included, were fundamental in the wellbeing of individuals and families, regardless of income and social class. The Thatcherites wanted to make social security irrelevant for those on middle and high incomes.

Another interesting difference between the two parties is that the Conservative Party had much harsher rhetoric when it came to social policy and the welfare state than Høyre. Even though the Thatcherites had no clearly articulated intention of abolishing the welfare system completely, there was a consistent negative connotation attached to their perception of the welfare state and those who were reliant on social security.³¹⁸ The Thatcherites also expressed distrust towards some of the benefit claimants, both rhetorically and through implemented policies. This was rarely the case in Norway. This could arguably be seen in relation to the differences between the two countries when it came to levels of inequality and the welfare systems, but also as a part of the general tendency that Thatcher and the Conservative Party were significantly more reformative and radical than the Willoch government.

³¹⁷ "Gini index (World Bank estimate) – United Kingdom, Norway", *The World Bank*, <https://data.worldbank.org/indicator/SI.POV.GINI?end=1986&locations=GB-NO&start=1969>

³¹⁸ Sutcliffe-Braithwaite, "Margaret Thatcher, individualism and the welfare state".

Conclusion

The purpose of this chapter has been to look at the Conservative Party's and Høyre's social security policies and their perceptions of their country's welfare states in relation to ideas about the importance of the individual and the family. In both countries, the two parties' fundamental ideas about a less interventionist state, distribution of power, and emphasis on self-reliance and individual responsibility were evident during the whole period. There were, however, major differences in their implemented policies and rhetoric about the issues each country was facing. Høyre's aimed to maintain and improve the existing system so that the level of social security could be maintained in a time of economic decline and high levels of unemployment. The Conservative Party's approach and policies contrasted with those of Høyre in significant ways. The Thatcherites had little intention of preserving or maintaining any aspect of the British welfare state or the social security policies that had existed for almost forty years. They distrusted the advantages of the system and some of those people who were reliant on social security. They saw the welfare state and social security as a threat to their ideal society of self-sufficient individuals and hard-working families.

Conclusion

This thesis has sought to answer the question of how the British Conservative Party and Høyre in Norway tried to strengthen the position of the individual and the family through their use of political rhetoric and legislation in areas of economic and social policy during the period 1979-1990. In doing so, the thesis prioritised a selection of key areas of economic and social policy for analysis, namely economic and taxation policy, housing policy, and, social security policy and the welfare state. Looking at these policy areas has allowed me to highlight important issues that to some extent defined the Thatcher governments and the Willoch governments. Changes in attitudes and policies in these areas represented a broad shift in thinking from the Keynesian and social-democratic ideas of the post-war decades towards the more individualistic and market-oriented policies of the 1980s. In this comparative study, I have found several key differences and some similarities between the two parties when it comes to their rhetoric, ideas, and, actually implemented policies.

The Conservative Party and Høyre shared many of the same ideological traits. These were predominantly Conservative, but both parties were influenced by Neoliberal and New Right ideas. In Britain these political influences culminated in what is known as Thatcherism, a political movement that represented a change of thought in the response to the economic, social, and political changes of the 1970s and 1980s. This response was based on the narrative of a Britain in economic and social decline and aimed to influence Thatcherite values upon the public. In Norway the shift in the political climate from left to right is known as Høyrebølgen. Høyre attracted increased support due to the growing affluence of the Norwegian people and the notion that an interventionist and regulating state was still necessary to achieve a flourishing society. Kåre Willoch managed to convincingly present his identity as a consolidator who wanted to preserve the established order but crucially also to make it more efficient.

The two parties often shared the same outlook in the areas of policy I have discussed in this thesis. The Conservative idea of a property-owning democracy, and its underlying purpose of distributing power and rolling back the state, was apparent in several areas of policy in both countries, like economic policy and housing policy. The Conservative Party's and Høyre's persistent focus on this idea led to an increased number of homeowners in both countries, for example, through the implementation of schemes like the Right to Buy Scheme. Additionally,

they shared similar perceptions of the importance of the family and a strong and independent individual. Individuals and families would, according to the Conservative Party and Høyre, experience a positive social outcome because their policies encouraged people to be more self-reliant and depend less on the state. People's own efforts would therefore contribute to a better life for themselves, but also a flourishing economy and society.

Despite the common ideological background and political outlook, the most prominent difference between the two parties between 1979 and 1990 is how they designed and implemented their policies. Høyre was considerably more moderate and not as reformative in its rhetoric or policies. As Notaker argues, the most extensive reforms that Willoch and Høyre implemented happened in areas where the post-war dynamics had already lost their momentum. They focused more on the core Conservative idea of conserving the existing order. However, to achieve this continuity, they argued that some reforms and improvements were necessary. Høyre planned to make economic changes over time, but they failed to reduce public spending which affected inflationary pressures and their ability to reduce taxes. The British Conservative Party was more radical because they set out to modify, and, in some cases, dismantle, the established order – an order they believed had broken down, leaving Britain in a state of decline in the 1970s. Their primary goal was first and foremost to modify society in a way that reflected Thatcherite values. They took advantage of the narrative of a Britain in decline claiming that only Conservative forces were able to improve the situation. The Conservative Party also demonstrated a much wider agenda with their policies compared to Høyre. They wanted to seriously reform most areas of policy, including those discussed in this thesis, like the economy, housing, and social security.

The reasons for this difference in implementation of policies were many. Firstly, the two parties operated in two different electoral systems. The British Conservative Party was a majority government during the whole period, whereas Høyre was, at first, a minority government for two years, and, then, from 1983, a coalition government. This coalition included parties that had different interests, which that led the government in other directions, especially within areas of economic and social policy. Furthermore, coalition government demanded compromises to be made in areas of policy that affected the family. Secondly, the severity of the problems each country was facing was significant. This relates to all areas of policy in this thesis, especially concerning the economy and social security issues. Circumstantial differences between the two countries led to a difference in how they

implemented their ideas and policies, even if they were often based on a common ideological approach.

A fundamental motivation behind the Conservative Party's agenda was to wage a war against Socialism. The Thatcherites sought to delegitimise Socialism's moral position in society because they believed the main problem of Socialism, in addition to its alleged economic inefficiency, was its "basic immorality".³¹⁹ Therefore, to restore morality was a consistent project for the Thatcherites during their eleven years in government. They believed that by establishing a cultural change the result would be a flourishing society and consequently an improvement in the economy. Therefore, in the areas of policy discussed in this thesis, the Thatcherites often prioritised measures that were intended to incentivise the improvement of individual characteristics, such as the will to work and self-reliance, instead of making improvements to the economy or social security services by governmental action. Høyre, on the other hand, did not perceive the Norwegian Labour Party and their ideology as a reason for the economic and social problems Norway was facing. Instead, they blamed Labour's lack of motivation and political action to take the necessary measures to tackle these issues and instead emphasised their own potential capabilities for action in these areas.

Conservative ideas about society often differ from social-democratic ideas because Conservatives to a higher degree separate state and society.³²⁰ Additionally, Neoliberal ideas concerning the relationship between the state and the individual, in which the state was seen as collectivist and restrictive of individual initiative, were prominent in both parties' policies. In this regard, however, Høyre seems to have been affected by being a Conservative party in a country where the social democracy has had a dominant position since the Second World War. The aim to separate the state and society is more evident in the policies the Thatcher government led in the 1980s. Høyre did indeed implement deregulations and policies of privatisation, but the presence of the state as a fundamental component of society was to a higher degree preserved in Norway than in Britain in this period. This was particularly the evident in the case of the Thatcher government's social security policies.

The British Conservative Party and Høyre tried to strengthen the position of the individual and the family in society between 1979 and 1990 by encouraging a higher level of

³¹⁹ Saunders, "Crisis? What crisis?", 70.

³²⁰ Kolbeinstveit, "Hva er konservatisme?"

individualism and self-reliance. The significant change concerning the individual and the family in relation to economic and social policy is the shift from an interventionist and regulating state to a society in which each individual was expected to rely less on the state in order to prosper. Høyre initiated greater freedom of choice for people, for example, by allowing private initiatives to take a paly a larger role in social security services. The Conservative Party deregulated, privatised, and made cuts to benefits to the extent that people had no choice other than to be more dependent on their own effort.

This thesis has sought to fill a gap in the existing research on economic and social policy in Britain and Norway between 1979 and 1990. There has been done little to no research on these issues from a comparative approach. Therefore, this thesis offers a fresh insight into how Conservative ideas were put into practice in different contexts and with different force. The findings in this thesis have emphasised how different parties, with several common ideological traits, carried out their ideas and policies in order to react to the economic, social, and political issues of the 1970s and 1980s. The comparison of the two parties indicates a difference in their perception of which environment they believed individuals and families would be able to thrive in most. The Conservative Party, with their aim to re-establish the existing order and delegitimise Socialism, aimed to achieve a society in which individuals had an increased responsibility for their own situation. But Høyre wanted to find more efficient ways to maintain the existing order, which was largely built on social-democratic principles and a strong welfare state, so that individuals and families could prosper within a more secure environment, and a slightly different type of freedom could ultimately prevail.

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