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‘Financial Consumerism’: citizenship, consumerism and capital ownership in the 1980s

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ABSTRACT

Popular capitalism provides a useful case study to reveal the overt mechanisms of Thatcherism as well as the concealed and coincidental. The Party’s programmes of council house sales and privatisation have rightly been understood as a central part of popular capitalism. However, Thatcherism relied on far more than just the actions of the Conservative Party alone. This article explores the role of financial institutions in creating an institutional framework which enabled the British public to engage with popular capitalism. In doing so it builds on existing work on Thatcherism as a political and cultural project by considering both the ideological and institutional mechanisms through which economic elements of Thatcherism were normalised. In particular it explores the term ‘financial consumerism’ as a useful moniker for Thatcherism which moves beyond popular capitalism and allows a consideration of wider questions about consumer society, participation and social inclusion.

In September 1985, an article in The Times’ ‘Family Money’ segment announced that ‘Financial consumerism comes of age next week when the Money ‘85 Show, Britain’s first ever investment fair, opens’. The four-day show featured over 100 financial service companies as well as free seminars and workshops. It was aimed explicitly at first-time investors and embodied a renewed interest in the individual investor by the financial services industry. The term ‘financial consumerism’ captures the intersection of several changes which occurred in the 1980s which lay at the heart of the project of Thatcherism, namely; the promotion of share ownership as a central component of popular capitalism and the key institutional structures which acted as mechanisms for this process; the normalising of Thatcher’s economic revolution by a concerted ideological attempt to render it as common sense and ‘ordinary’; and the attempt to redefine the relationship between consumerism and citizenship according to the accumulation of capital as well as the accumulation of goods. As such, ‘financial consumerism’ can offer a useful moniker for Thatcherism which moves beyond popular capitalism and allows a consideration of wider questions about consumer society, participation and social inclusion.

KEYWORDS

Thatcherism; consumerism; finance; popular capitalism; citizenship

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Stuart Hall has described Thatcherism as a ‘historical conjuncture’ in which individual but connected phenomena consolidated during a specific historical moment⁵ This article argues that a substantial facet of this broader conjuncture was the aligning of party ideology with an institutional structure geared towards the self-management of personal finance. The coincidence of these elements enabled the rise of ‘financial consumerism’ and the individualisation of economic responsibility.

Whilst Hall outlined the broad parameters of a Thatcherite construction of a new settlement through the reconfiguration of existing ideological discourses, it was not his aim to provide an empirical account of this process and there has been a distinct lack of work to explain what Hall so aptly described as it worked in practice. Popular share ownership can be used as a case study to delineate the overt mechanisms of Thatcherism as well as the concealed and coincidental mechanisms. The Party’s programmes of council house sales and privatisation have rightly been understood as a central part of popular capitalism.⁴ However, in addition to the actions and rhetoric of the Party, the conjuncture of Thatcherism relied on concurrent activities amongst various organisations which on some levels complemented the drive towards wider ownership. Undoubtedly, some such groups were explicitly ideological, notably think tanks like the Adam Smith Institute (ASI) and the Institute of Economic Affairs (IEA). Financial institutions such as banks and building societies, however, were motivated by a vested economic interest in the proliferation of share dealing and mortgage lending services. These groups worked independently of the Party, but their activities were nonetheless integral to the creation of an institutional framework which enabled the British public to engage with popular capitalism.

This article builds on existing work on Thatcherism as a political and cultural project by considering both the ideological and institutional mechanisms through which economic elements of Thatcherism were normalised. There is an extensive body of literature which has focused on the language of Thatcherism and the Conservative Party’s use of rhetoric to change the intellectual playing field of the 1980s. This highlights their successes in creating narratives propitious to economic and social change on the basis of free market capitalist ideals. For instance narratives of crisis and ‘declinism’ were used to discredit the Keynesian policies of what E.H.H. Green has described as the ‘Myth of Consensus’, borrowing the title of a book by Harriet Jones and Michael Kandiah.⁵ Particular attention has been drawn by some academics to the concept of the ‘ordinary people of Britain’ as fundamental to Thatcherism’s appeal. Jon Lawrence and Florence Sutcliffe-Braithwaite have suggested that Thatcher sought to move away from class politics by appealing to the more ‘diffuse, mutable language of “ordinariness,” hard-working respectability and family centred individualism’.⁶ Similarly, Amy Whipple discusses Thatcher’s appropriation of numerous ‘ordinary people’ narratives which had proliferated during the 1970s in reaction to the ‘permissive society’ of the 1960s. As she demonstrates, the more various groups made use of such narratives, the more the idea of ‘ordinary people’ grew in ‘cultural resonance’, culminating in the ‘New right’ incorporating this versatile social critique into their own political ideology.⁷

The language of the ‘ordinary’ can be used as a starting point for an analysis of the normalisation of share ownership. This extends understandings of ‘ordinary’ as embedded in culture or in the social to illustrate its use in an economic project with hegemonic aspirations. The language of ‘ordinariness’ was utilised as a discursive strategy by the Conservatives during the 1980s to ‘sell’ the idea that share ownership was an activity for all. This was done by linking capital ownership to the idea of everyday consumption—of cars, homes and
household items. This unification, of the ordinary consumption with the more extraordinary process of investing in shares was utilised by other institutions as they tailored their services to the private investor. This process gave the very pillars of Thatcher’s economic revolution the appearance of being ordinary, as the world of finance and stocks and shares entered the ‘everyday’ culture of the 1980s, and consequently, encouraged the individual to assume personal responsibility for financial decisions.

Nikolas Rose and Peter Miller have argued that rather than forcing restrictions upon citizens, modern governance is about creating citizens capable of displaying ‘a kind of regulated freedom’. In the economic domain the creation of such a citizen undoubtedly relied on institutional mechanisms created by the proliferation of share dealing services indicated by the Money ‘85 show. As such, using the term financial consumerism as an epithet for Thatcherism allows for an account of their activities. However, it also illuminates the impact that the institutional and ideological developments outlined above had upon conceptions of consumerism in this period.

In order to ‘sell’ the notion of wider ownership Thatcher appropriated consumer narratives and brought a consumer mentality to the notion of capital. Moreover, as the relationship between the individual and capital accumulation evolved, possession of capital was posited as affording social inclusion and participation; citizenship and consumerism became inextricable as part of the process of personal capital accumulation.

It is not possible to study the practical functioning of Thatcherism as entirely distinct from Conservative Party (and Thatcherite) ideology. As will be outlined in the first section of this article, the Party exerted a great deal of effort to link a concept of citizenship to the activity of capital and property accumulation. Alongside the policies and rhetoric of the Conservative Party, there was an active promotion of private ownership by ideological organisations and areas of the press and publishing industry. The second section will focus on the dissemination activities of these groups. However, it was not only the Party and their traditional supporters in the media that pushed the wider ownership agenda of popular capitalism. The finance industry developed a series of services designed to engage with the new class of private investors which had proliferated in the wake of government privatisations. Consequently, organisations such as banks, building societies and stockbrokers created institutional mechanisms which facilitated the policies of Thatcherism. The final section will argue that these mechanisms were central to the success of Thatcherism in the 1980s, as they provided a framework of self-governance which allowed the individual to adopt responsibility for capital accumulation.

How far this transpired in reality, is however, another question and beyond the scope of this article. It is nonetheless an important aspect of financial consumerism, which deserves thorough research in order to understand points of resistance, unease and tension as people encountered Thatcherism. There were numerous unintended consequences of financial consumerism, and it is clear that it failed to comprehensively create a nation of well-informed, responsible shareholders. Indeed, individuals increasingly opted to engage with indirect forms of share ownership such as unit trusts, pension funds and life assurance, which minimised their active participation in a share-owning democracy. As such, this is by no means a complete treatment of the mechanisms of popular capitalism, nor the nature of financial consumerism. Instead it is a starting point for the exploration of a Conservative party political and social project which sought to reconfigure the relationship between the individual, private ownership and social inclusion.
The property-owning democracy

The ‘Right to Buy’ campaign and later marketing efforts associated with the privatisation of British Telecom (BT) form a fairly familiar account of Thatcherism’s political and cultural project, not least in that they reveal the Conservative Party’s aggressive publicity strategy. Nonetheless, they can usefully outline the Party’s attempts to redefine the relationship between private ownership and citizenship. Thatcher appropriated the concept of a property-owning democracy, which had been had been a component of Conservative thought in various guises throughout the twentieth century.

In Thatcher’s understanding, ownership was presented not only as the free-market expression of choice, but as inherently linked to the notion of citizenship. The approach taken by the Conservative Party in the course of this endeavour established a series of rhetorical devices which were appropriated by other institutions in their activities selling investment products and financial advice to the public.

During the late 1970s the Conservative Party professionalised its publicity department, due to a consensus that a coherent and efficient communications strategy would be necessary for an election victory on the basis of monetarist policies. As a result, the Conservatives sought to consciously court groups which they saw as ‘opinion formers’. In terms of the ‘Right to Buy’ campaign this meant targeting financial intermediaries and the press to ensure that the public were receiving a specific vision of what home ownership meant. Such efforts were mirrored by an aggressive publicity campaign promoting popular capitalism more broadly which targeted the so-called ‘ordinary’ person and appealed to their sense of aspiration by asserting the ability of free market capitalism to offer social mobility, specifically by affording the opportunity to become one of the capital-owning classes.

As Matthew Francis indicates, the Conservatives also used the promotion of home ownership to link ideas of ownership and citizenship, speaking to ideas of social and political participation, and responsibility. A 1988 Bow Group Research Paper stated that Conservative housing policy had allowed people to ‘take on responsibilities which they were previously denied, and thereby share the normal experiences of their fellow citizens’. Elsewhere the Party promised to ‘release the council tenant from bondage and enable him to play a greater part in determining the future of his city’. Moreover, the Conservative Party used the language of hard work and self-improvement to present social mobility as a social obligation, arguing that ‘There is no reason at all why if people can afford to pay the full economic cost of their housing they should not do so’, not least because ‘Ownership is itself a stabilizing social factor’. It was made to seem that failure to fulfil their social obligation to become a home owner excluded council tenants from a conventional and fully-expressed form of citizenship. As Stephen Evans argues Thatcher ‘refracted her desire to establish a property-owning democracy through the lens of One Nation Conservativism’. Property ownership was portrayed as a way for the individual to secure Britain’s strength. This was even more true of share ownership, as owning shares in British business became paramount to supporting the economic life of the nation.

Evans also suggests that the Conservative Party expanded the boundaries of ownership such that the main outgrowth of the property-owning democracy was the share-owning democracy. Whilst it is true that widening share ownership became a mainstay of Conservative policy-making in the 1980s, it is important not to overemphasise the novelty of the Party’s concern with share ownership. The broadening of share holding had formed
a central part of the ‘property-owning democracy’ in its original articulation by Unionist MP Noel Skelton in 1923, who saw co-partnership and profit-sharing as a way to distribute property more widely and improve industrial relations. Furthermore, the 1950s and 1960s were marked by a fairly consistent search by sections of the Conservative Party for policies which would increase public ownership of industry. Nonetheless, until the early-1980s thinking on this matter was largely dominated by home ownership.

During the 1980s Conservative governments launched a series of complementary policies to facilitate wider share ownership amongst the British public. Privatisation, the reduction of stamp duty, the introduction of Personal Equity Plans, and the drafting of the Financial Services Act all sought to make the stock market a more ‘user-friendly’ place for the private-investor. As with the ‘Right to Buy’, legislation was accompanied by a determined publicity campaign. However, there was perceived to be a greater need to ‘sell’ the idea of share ownership due to the belief that home ownership was largely seen as desirable, and a comparatively normal concept. As Thatcher’s first major privatisation, the sale of BT in 1984 was an important test case. Consequently, it was preceded by an extensive marketing campaign designed to ‘educate and motivate over 2 million people to apply for shares’. This campaign reveals the Party’s attempts to normalise share ownership by portraying it as a desirable activity for those wanting to earn a place amongst the elect members of a Thatcherite society—private owners.

The first problem faced by the BT campaign was the need to combat negative public opinions about the stock market. High minimum investments created a perception that shares were the ‘sole and divine right of the rich’, so attention was placed on making the process of share buying as simple and alluring as possible by stressing the low £250 minimum investment cost, which could be paid in instalments. A bonus share scheme and phone bill vouchers were offered as further incentive. Similarly, accompanying paraphernalia consisted of application guides, a mini prospectus, and an official Stock Exchange ‘ABC’ guide to shareholding. Adverts too were tailored to target first-time investors. Those placed in the popular press were given a ‘much looser, less “financial” style’ than those placed in the financial press, including a series of adverts portraying a range of ‘ordinary’ people such as a housewife, supermarket manager, and a farmer which sought to attain identification with the idea of share ownership from a variety of socio-demographic classes.

In a similar vein, the Party mobilised narratives of consumption in order to make the process of buying shares appear more conventional than it was for many potential privatisations share applicants. Indeed, references to share in terms of consumption began to pervade Conservative Party language surrounding capital ownership. In a 1985 speech, Thatcher asserted her desire that ‘it should be as common for people to own shares as it is for them to own houses or cars’. In its 1987 General Election Manifesto, the Party again reiterated that ‘Just as with cars, television sets, washing machines and foreign holidays … [share ownership should] no longer be a privilege of the few’. In this, shares were presented as akin to other consumer goods. The unspoken implication was also that they could, in a similar way, be markers of affluence and social status.

Throughout BT’s marketing campaign, the Conservative Party tread a fine line between this portrayal of shares as an everyday form of consumption, and a desirable status symbol—something above and beyond the norm marked the individual out from the crowd. Ownership of capital was depicted as a form of emancipation for the individual and as a progressive leap forward to a new ideal society. Conservative rhetoric cast the shareowner,
the entrepreneur and the small business owner as the heroes of a free market capitalist economy. Adverts for BT shares which promised the opportunity to become the ‘owner of a company’, thus offered an appealing chance to attain a similar status in Thatcher’s vision of society. Buying shares became a way to gain citizenship to the idealised business-owning class. It was also, once again, portrayed as something of a duty—a way of supporting Britain’s economic strength. The purchase of shares became synonymous with the ability of the consuming individual to impact wider British society, this time through their expression of choice as a consumer in a market economy, and in their role as an investor in British industrial strength.

The Party’s focus on self-improvement and social mobility through ownership rearticulated the concern of the Victorian middle classes with ‘self-help’. Epitomised by Samuel Smiles who advocated work, diligence and self-reliance as the quintessential means to personal success, this idea of self-help centred on moral and intellectual self-fulfilment as the foundations of social mobility. In this manner, it concerned the creation of the self-governing citizen. The rhetoric of Thatcherism drew heavily upon this individualistic ideology and combined it with modern techniques of government. Barbara Cruikshank and Pat O’Malley both discuss the importance of self-government in modern states, arguing that responsibility for various areas of personal life is transferred onto the individual and couched in language that emphasises self-responsibility as a social obligation. In terms of the Conservative push towards private ownership, focus was placed on financial self-responsibility, implying that anyone who chose not to buy their council house or invest in shares would have to bear out the consequences of these decisions alone in the context of decreasing social welfare.

By presenting ownership as synonymous with social inclusion and the ability to shape wider social concerns, the Conservative Party merged two concepts of consumerism which have previously been seen as in conflict: the idea of consumers as citizens, and of consumers as shoppers. Matthew Hilton outlines a post-war social democratic vision of consumerism which positioned the consumer as ‘the centre of a political movement which would enable the concerns of ordinary people to filter through into political expression’. However, Hilton suggests that during the 1980s an economic version of consumerism came to the fore, which saw consumerism strictly in terms of choices between ‘a range of options provided by the free market to be selected by individuals acting solely out of self-interest.’

In the case of share ownership these conceptions were not mutually exclusive, with one merely replacing the other. According to Conservatives the consumption of capital in the form of property, pensions, insurance, and share ownership allowed the individual to claim a responsibility to their community and to engage in wider political and social debate. Consumer society was reworked so that capital accumulation went hand in hand with the accumulation of goods. As one contemporary leftist commentator, Charlie Leadbeater pointed out Thatcher’s conceptualisation of individual choice implied that people have the rationality and discipline to interrogate their desires and aspirations, to determine what they really want. Not just what they want in the supermarket, but what they want for their lives, what kind of people they want to be, where they will live. This was the extension of a free market capitalist consumer mentality to the social domain. And shares became one path for the individual to adopt a new identity as an ‘owner’ and all the power, choice and inclusion this was presented as providing.

Popular capitalism thus provided the Conservatives with a vehicle for the dissemination of ideas about private ownership, social responsibility and obligation, and citizenship. It
allowed the Party to package these ideas in the language of aspirational consumption and the pursuit of self-improvement and social mobility, rather than framing wider ownership as an attack on the state. The importance of this theoretical framework lies in the fact that elements of it were utilised by other institutions to frame their activities encouraging and capitalising upon the expansion of share ownership, albeit in pursuit of non-ideological aims. In particular, the link between capital and consumption became central to how many institutions sold both the idea of share ownership, and their specific investment products.

**Disseminating financial consumerism**

Dilwyn Porter’s work on popular financial journalism since 1960 argues that during the 1980s features such as ‘Sun Money’ and the Mirror’s ‘Your Money’ developed into significant sources of information for an emerging group of working-class shareholders, acting as an important mediator between the public and the ideological project of Thatcherism. This section looks to extend Porter’s avenue of investigation by considering a broader spectrum of financial journalism, including a body of popular share guides, whilst focusing more closely on the 1980s.

For financial consumerism the publishing industry was pivotal. The financial pages were designed to guide people in how to manage a new relationship with capital and newspapers such as *The Times*, *Guardian*, *Sun*, *Mirror* and the *Daily Mail* contained increasing numbers of items aimed at first-time investors. They commonly encouraged the individual to take on the characteristics of the entrepreneurial classes in order to become the latest Thatcherite ‘success story’. This exploited the idea that the market was a ‘meritocracy’ which could provide social mobility in the vein of Smile’s ‘self-help’. Accordingly, the financial columns lionised individuals such as Anita Roddick, Richard Branson and Alan Sugar as ‘hero[es] of the private enterprise system’ and examples of ordinary people-turned millionaires.

Reflecting the high place reserved for small business owners, entrepreneurs and stock market ‘whizz kids‘ the *Daily Mail* created a ‘Money Makers’ feature which each week told the story of someone’s journey to financial success (frequently through business-ownership or investment). Such stories painted a rosy image of the stock market, presenting the City as a ticket to success; a vehicle by which ‘ordinary’ people, even complete novices, could soon become millionaires. For example housewife Diana Crook was quoted as saying that ‘Lots of women think the Stock Exchange is beyond them, but actually it is very easy … I can’t add up and didn’t even take maths O-level but I enjoy investing’. Despite the varying levels of success achieved by the featured individuals, the message remained consistent; expertise or wealth was not necessary to make a killing in stocks and shares. Anyone could enjoy investing.

As a pro-Conservative paper, it may come as little surprise that the *Daily Mail* ran a series of activities intended to nurture a readership of private-investors. This included a ‘Money Mail’ Advice Centre at the paper’s annual Ideal Home Exhibition which included talks by ‘eminent investment authors’, stockbrokers and representatives from the Stock Exchange. A ‘Small Investors’ Day’ was run in 1986 in union with the Stock Exchange and a similar event was organised in 1989 in conjunction with the ‘largest share flotation ever’ of Abbey National. By the end of 1987 the paper even had its own shares hotlines and had launched a ‘Best of British Portfolio’ shares competition to build on the success of its longer running annual stocks and shares competition. Whilst the *Daily Mail* was particularly ardent in
promoting private share ownership, even papers the more traditionally left-wing press contributed to the abundance of shares-related material available to the public. Despite taking a more sober tone, the Guardian conceded that ‘the age of wider share ownership has dawned at last’ and launched a regular ‘popular capitalism’ feature to help guide the individual as they encountered the stock market. Meanwhile, the Mirror could be found pursuing a slightly uncomfortable endorsement of popular share ownership in relation to the sale of British Steel in 1988. After proclaiming that ‘Maggie’s about to flog some more of the family silver—or to be precise all of our old iron’, it went on to state: ‘Forget the political arguments at the moment. The question is whether the ordinary man in the street has made a profit taking part in these big share deals.’ The piece finished with an attempt to present privatisation as the triumph of small shareholders, claiming that ‘Ordinary folk seem to be determined to have a slice of the action instead of leaving it all to rich City slickers.’ This tacitly reinforced Conservative claims to be democratising access to capital. And yet such claims simply obscured the fact that privatisation shares tended to end up in institutional portfolios because small shareholder sold their individual allocations to make a fast buck.

Many financial journalists moved one step further in their engagement with popular capitalism by publishing their own share guides. In doing so they entered into a rapidly growing financial advice industry, and in doing so fed off, maintained and actively promoted the activities of financial institutions which will be discussed in the final section of this article. Whilst not exclusively published in the second half of the 1980s, there was a noticeable increase in the numbers of such guides after the BT flotation and many were available in second and third editions before the end of the decade. These guides frequently adopted Conservative rhetoric concerning the ‘ordinary’ with one author noting that the 1980s could well be termed the decade when the ordinary saver rediscovered the share. Rosemary Burr’s The Share Book was even advertised in the press as ‘Thatcher’s Choice’ of share guide containing a foreword by Thatcher. Its front cover stated that it could ‘Unravel the mystery of the stock market and puts you in charge of your investment.’ This reasserted the sense of individualism that was found in the discourse of Thatcherism, suggesting that the individual alone knew what was best for their money, rather than their bank manager, stockbroker or the state. Discussing the discretionary services offered by stockbrokers Kevin Goldstein-Jackson concluded that ‘I prefer to choose my own investments and make my own mistakes and have my own successes.’ Mirroring the ‘success stories’ favoured by the financial press, the overriding impression that share guides left was that making a ‘killing in the share jungle’ only required ‘common sense, and good luck,’ with no need for ‘a qualification in accountancy or a room full of computers.’ This ‘do-it-yourself’ attitude placed these guides in the realm of ‘self-help’ guides, once again highlighting themes of self-government and responsibility.

And yet, despite the pervasive message that share ownership was an activity for all, regardless of personal wealth, education and class, the guides frequently outlined a series of financial stipulations for becoming a share owner. They asserted that it was necessary to cover ‘the essentials of personal financial planning’ and that ‘A mortgage and adequate life assurance cover … come before share deals.’ Roger Hardman, author of Stocks & Shares: A Practical Guide for the First-Time Investor even cautioned that ‘If you are living in a rented property, you ought to be asking yourself seriously whether you are doing the right thing in contemplating stock market investment.’ When considered in the context of Conservative rhetoric regarding ownership and citizenship this suggests the creation of a hierarchy of
capital-owning citizenship, whereby share ownership was neither ordinary, nor was it for everyone. Those who could not afford to own their own home and did not have a certain level of financial security were deemed unqualified for share ownership, which assumed the position as the most advanced form of capital ownership. This chimed with Conservative Party thinking which saw ‘the growth of capital-ownership … as a step beyond’ goods such as ‘Homes, cars, durable goods, pensions, and savings for emergencies’. It was almost the peak of aspirational consumption, above and beyond more regular consumption. Until the individual could take personal financial responsibility and cease to be a drain on state resources, they could not expect to take on the responsibilities and privileges of advanced capital ownership, or full citizenship in a Thatcherite society.

What is clear about the development of this relationship between the individual, capital ownership and citizenship is that it relied on more than just the efforts of the Conservative Party within the traditional boundaries of popular capitalism. The ideological work of the Conservative Party was carried out by a wider nexus of organisations. However, the contradictions within Conservative representations of share ownership, and the carefully constructed vision of the idealised capital-owning citizen-consumer often crumbled in the hands of external agents. Financial journalists and share guide authors alike used multitude definitions of ‘ordinary’, demonstrating the malleable quality of this term. It could mean the small worker standing in opposition to rich elites in the City, as in the hands of the Mirror. It could be used to stress the normality of share ownership or it could be used to appeal to anyone who had never previously owned shares before as a way of selling financial advice to an emerging consumer market. The significance of this term was precisely the fact that it was a blank canvas upon which meaning could be painted. In this way, the newspapers and financial journalists of the popular press, no matter their political allegiances, had an important function regarding the progress of popular capitalism. They helped make the language of the Conservative Party more visible, more profuse and perhaps, even, more believable. The promise that share ownership was now an ordinary activity for everyone was more convincing when the individual could access endless information about finding a stockbroker, applying for share offers and the latest takeover rumours all explicitly targeting them in relation to their ordinariness. So whilst many people would not, perhaps, readily view themselves as potential investors, they could see themselves as ordinary consumers of financial products.

The Thatcherite economic revolution of the 1980s was not mere rhetoric, however, it also required a substantial institutional structure which could facilitate the individual seeking to undertake their social obligation to accumulate property and capital. The finance industry in the 1980s fulfilled this role by creating products, services and financial mechanisms which made the share-owning democracy a feasible reality.

‘Financial Supermarkets’: the finance industry and private share ownership

Just a few weeks after BT’s flotation, commentators were heralding it as the start of a ‘revolution’ in the financial services industry. The record-breaking issue was used by many financial institutions to appeal to their new target audience, the small-investor. Adverts for share dealing services ran with headlines such as ‘Telecom was a great start. Don’t ring off … INVEST NOW in a Unit Trust’ and ‘Disappointed with your allocation in British Telecom? Wondering what to do with your returned cheque?’ Companies even bought the BT
shareholder application list in order to target potential new investors via direct mailing campaigns. A whole variety of new services and shares related products were advertised with Thatcher's new class of private investors in mind. This was epitomised by the rise of share shops and the so-called 'financial supermarkets' which grew out of the 1986 deregulation of the financial sector. These services provided the practical means through which the individual could become consumers of shares and engage with capital accumulation. As such they played a fundamental role in normalising the Thatcherite economic revolution. In aligning their services with Conservative campaigns, financial institutions and individual stockbrokers (as well as countless charlatans), did the ideological work of the Conservatives, not as agents of the Party but due to coinciding vested economic interests. As with the financial press, this was not always a perfect translation of Conservative ideology, but stocks and shares nonetheless began to enter the everyday consumer culture of 1980s Britain, in this instance through an infiltration of the high street. Banks such as the Co-operative offered share dealing facilities through their retail shops and high street branches, whilst shops such as Marks and Spencer offered their own unit trusts.

In comparison to Party-led initiatives, the role of the finance industry in promoting 'popular capitalism' has not attracted as much attention from historians. Although the details of the City's transformation after the 1986 'Big Bang' has been outlined by popular histories of the 1980s and histories of the City, given its centrality to the practical functioning of Thatcherite economic subjectivity it deserves protracted attention. Conservative rhetoric claimed that the abolition of fixed rate commissions would lead to increased levels of competition, thus encouraging a removing system based on meritocracy by removing 'the controls which hampered success'. However, institutions such as banks and building societies were able to capitalise on the legislative changes allowing interpenetration of markets by outside firms to amalgamate stockbroking with the delivery of other financial services. This enabled them to occupy the space between the individual and the ownership of capital.

Adverts for conferences and seminars offering expert advice to first-time investors were rife in the financial pages in the 1980s. The Stock Exchange led the way in the provision of educational services. In addition to the 'Small Investors Day' and 'Private-investors Open Evening' run in conjunction with the Daily Mail, it also ran evening courses in London colleges and a variety of ‘Money Shows, Seminars, Mobile Exhibitions and Moneyspinner television road shows’ which ran across the country. These services were overtly political and clearly carried the message that 'All it takes is a measure of common sense'. Additionally, a Stock Exchange Investors Club was set up in 1987, designed to offer a forum through which the Stock Exchange could 'talk to investors and potential investors alike'. The Daily Mail even speculated as to whether it would become a kind of pressure group protecting the rights and interests of the small investor, hinting at the evolving association between capital accumulation and consumerism.

Initiatives aimed at educating the public in capital ownership were also targeted at young people. A 1980 article, titled 'How today's Children are learning to be tomorrow's whizz-kids' discussed the work of the Industrial Training Foundation which provided two-day workshops for sixth formers. These courses aimed to initiate students into the business world through talks by successful businessmen and the use of role play challenges. That such exercises promoted free market capitalism is suggested by the introduction of competition: 'To make the whole exercise more exciting each syndicate was in competition with the rest for the
best results’. Even the young were being schooled in Thatcherism through lessons in private ownership, so that they could become the next ‘success stories’ of the City.

Roadshows proved to be particularly popular among financial services providers as a way of promoting their wares to the public. 1985 saw the launch of the ‘Money Eighty-Five Show’. Organiser Richard Copley-Smith stated that the main purpose of the fair was ‘to attract the private-investor who is increasingly interested in what is happening to his or her money’ and to help those who felt ‘bemused by the wide proliferation of investment vehicles’ The Times’ claim that it symbolised the age of ‘financial consumerism’ no doubt reflected the plethora of share dealing services which provided the raison d’etre of the show. These were essential in providing the means for individuals to take control of personal financial decisions. Their ability to do so relied on the combination of government legislation and technological advances during the mid-1980s.

A prime example of the many new and wide-ranging services designed to provide easy-access share dealing services to first time investors is shares hotlines. These and other various telephone dealing services such as ‘Citycall’ and ‘Teleshare’ became a frequent sight on the financial pages in the mid-1980s. They promised instant access to shares which, and, as an advert for Hoare Govett’s telebroking ‘Dealercall’ service assured ‘puts the private-investor and financial advisors on an equal footing with the institutional investor and professional fund manager’. Articles discussing the new telephone dealing services supported these assessments. For instance, the Daily Mail quoted first-time share buyer Valerie Lovell as saying ‘It was as easy as telephoning through to the greengrocer’ Such comments reiterated the reconceptualisation of the individual as a consumer of shares. The same was true of information services that could be accessed through a television. A limited amount of financial information was available on Ceefax and Oracle, though more extensive services were provided by Prestel’s ‘Citiservice’ which ‘honed its output to provide tailor-made information for individual investors’.

The most striking development in the financial services industry was the appearance of share shops and so-called ‘financial supermarkets’. These terms again clearly indicate the new associations being developed between capital and the practices of consumerism. For the ideological adherents of ‘popular capitalism’ this was about broadening the basis of capital ownership to breed support for free market capitalism. In a profile of Consumer Affairs Minister Alex Fletcher, Margareta Pagano highlighted his ‘preoccupation … with the US-style share shops which he would love to see spread in the UK … with people buying shares even in the supermarket’. For financial institutions, the adoption of consumer narratives was akin to a marketing tactic—it was predominantly a good way of appealing to potential customers.

In the months leading up to the Big Bang, the Financial Times reported that

So far the reform of the City of London has seemed distant, if not downright incomprehensible, to the man in the street. But in the months ahead, the ordinary investor should begin to get a glimpse of what it is all about, particularly if he or she is a customer of one of the big clearing banks.

This comment came as a reaction to the announcement by Barclays that it was launching a new retailing stockbroking company by the name of Barclayshare, to operate ‘cheek by jowl with Barcalys de Zoete Wedd’. This was to be an in-branch, low-cost stockbroking service, including telephone-dealing.
Clearing banks had displayed some moves towards courting the private investor even prior to the restructuring of the City in 1986. For instance, in 1985 Barclays had begun to advertise its share dealing services with schemes to enable the customer to invest from as little as £20 a month, claiming in adverts that it ‘felt it was time to bring the world of stocks and shares within a lot more people’s reach’ [73] As the decade progressed, adverts from the big clearers for private client share dealing services became an increasingly common sight. However, prior to deregulation, they were still only able to act as an intermediary service not a genuine investment service because clearing banks were prevented by the contemporary system of regulation from direct dealing and market making activities. Customers were thus unable to deal on the spot, relying on second-hand advice from their bank manager who passed business on to local stockbrokers (with their own commission added). Despite the familiarity of dealing via a local bank, rates were not often very competitive.

With the relaxation of Stock Exchange rules in 1986, Barclays was not the only clearing bank to transform into a ‘financial supermarket’ by providing its own stockbroking service. Within months of the Big Bang several major high street banks had announced new share dealing facilities. For instance NatWest launched ‘NatWest Stockbrokers’, complete with touchscreen technology which provided instant share dealing across 260 branches. [74] The Midland Bank demonstrated a keen interest in enticing the small investor by dropping its minimum investment amount in 1987 from £500 to £250, and from £20 a month to just £10 for its regular savings plan. [75] Building societies were also taking advantage of the new demand for building society ‘Super-stores’. [76] As one journalist noted, they were ‘doing their bit to promote “popular capitalism” by offering Personal Equity Plans, unit trusts and life assurance investment products’. [77] This was seen as a triumph for the powers of competition, as ‘greater competition in the financial services market mean[s] banks are no longer immune from the pressures of consumer demand. They are being forced to become more like other high street traders’. [78] As the Guardian suggested even ‘idealistic worker co-operators are suddenly getting in on the capitalist boom, venturing into the venture capital market, issuing stock and making acquisitions’. [79] The Co-op bank, despite its ideological commitments, set the lead in adapting to the small investor by introducing late opening hours and ‘operating in a retail environment from the start’. [80]

As such the 1980s saw the convergence of the high street, both as a space and symbol of consumerism with investment. This was celebrated by Conservative politicians and ideological adherents of wider share ownership. It was understood that if popular capitalism was to flourish, it had to be brought to the doorsteps and everyday practices of the public. Alex Fletcher stated that ‘If the securities industry in this country is to grow similarly [to America], we must tap the savings of the community where they are to be found’. [81] This was therefore a matter of access; of accessing individuals’ savings and capital through the creation of more accessible services, thus enabling them to transfer savings into securities. If brokers had to ‘deploy a few shopkeeper’s skills that stockbroking does not normally require’ then so be it. [82] However this was also a matter of access as far as those institutions pushing for bigger profits in the private investor market were concerned. The services being provided for the individual investor thus increasingly made use of the spaces, selling and marketing techniques, and practices of consumption more normally encountered on the high street. Stockbrokers seemingly became salesmen as they ‘dumped their traditional starch-and-stripes-forever look and … [rolled] up their sleeves to push their wares across the counter just as if they were selling cabbages and cauliflowers’. [83] This was certainly not lost on
contemporary commenters who frequently compared investing to shopping, if only due to the physical presence that financial services were establishing in British high streets and department stores. And nowhere was this more evident than in the emergence of share shops onto the private client investment scene in Britain in the mid-1980s.

As The Times stated in 1986:

A famous American retail group once proclaimed: ‘Buy your stocks where you buy your socks?’ Few people thought share dealing in department stores could prove successful on this side of the Atlantic. Events have shown otherwise.84

The first share shops were opened in 1985 in a ‘blaze of publicity’ surrounding the ‘high street battle of the share shops for the hearts and wallets of the nation’s small investor’.85 The two leading pioneers were Chander Singh’s City Investment Centres and the ‘Money Centres’ of stock broking firm Quilter Goodison who launched their flagship in Debenhams’ Oxford Street store. Designed as an ‘experimental centre’, it grew out of an advice service offered in Debenhams stores during the BT flotation.86 With the BT privatisation still reasonably fresh in the public imagination, and a series of high profile flotations yet to occur, the share shop model initially appeared to be an incredibly popular one. According to The Times, ‘The Trustee Savings Bank share issue caused quite a stir at Debenhams. The queue at the Money Centre stretched through a number of departments’.87 Quilter Goodison soon opened further stores and later expanded their services through Cheltenham & Gloucester Building Society.88 And it was not long before other department stores and brokers paired up to offer the public share dealing where they shopped. Brokers Margetts & Addenbrooke offered a full information and dealing operation through the Birmingham branch of Sears’ Lewis department store.89 It was similarly reported that the store experienced ‘near pandemonium on the first Saturday after the TSB share issue’, with ‘A similar response … expected when British Gas shares become available’.90 This early and visible success meant that other brokers were keen to get in on the action. London firm Laing and Cruikshank reportedly put together ‘a high street chain of share shops by stealth’ by setting up offices in buildings with ground floors to enable people to ‘come in and browse around the literature’.91 In the same vain they moved their Taunton office ‘to the high street between a dentist and a frozen food shop’.92

These share shops epitomised the transference of private share ownership into the public sphere. They represented the convergence of the practices, mentalities and subjectivities of consumption with the mechanisms, service providers and investors of financial products. And their appearance in the mid-1980s was indicative of a shift from share dealing as a form of individual investment, to a form of consumption. But above all they were a competitive business tactic designed to access the custom of those potential investors who would not normally set foot in a London stockbroker. Indeed, there seemed to be no limit on the available variation, imaginations and ambitions of those involved in the private investor share dealing market. Save and Invest money shop in Glasgow intended to franchise the concept, whilst the Birmingham Stock Exchange launched a Stock Exchange Shop in the middle of Birmingham International’s Railway Station.93 Here a ‘rota of duty stockbrokers at the end of a telephone line enable[d] callers to buy and sell shares on the spot,’ presumably on their morning or evening commute. David Shamash a 21-year-old ‘importer/exporter of fancy goods’ told the Daily Mail,

As soon as I get off the train … I drop into the share shop … and if I see something good I get on the phone and do a deal right away. It’s a very simple process. You don’t even need to know a stockbroker or how to buy or sell—the girls behind the counter can do it all for you.94
The thing that all these variations had in common was that they were designed to fit the patterns of more regular consumption, whereby investment had the potential to be not only a serious financial decision but a purchase made on a whim whilst browsing in store. Various descriptions of the shops in the press reveal precisely the type of environment that was created in order to entice the small and often first-time investor. As Alan Hamilton of *The Times* described:

You take the elevator to the third floor, past the perfume counter, beyond the ladies’ lingerie, through the Lego and round the edge of the soft furnishings just by the carpets. There you come upon the nice young men, all smiles, short haircuts and gold-rimmed glasses … ‘A hundred shares in British Telecom? Certainly sir, won’t keep you a moment’.

Investors, in such environments, became shoppers. An article in the *Daily Mail* entitled ‘Taking a trip around the local market’ reported the experiences of David Stone, a 39 year old British Telecom Engineer who ‘wandered into the QGC [Quilter Goodison] Money Centre on an impulse … [and] ended up buying some Scottish and Newcastle Brewery shares’. He told the newspaper ‘Now I drop in most days’. By reinventing investment as a form of consumption, companies were able to sidestep those barriers to entry created by traditional class associations attached to the wooden panels and bowler hats of the traditional London stockbrokers. Share dealing was brought into those public spaces occupied by working and middle-class consumers where they would physically encounter it. People, it seemed were able to adopt consumer subjectivities more easily than those associated with being an investor. These businesses thus facilitated the normalisation of buying shares by situating it in a familiar environment. Various descriptions of the shops in the press revealed the benevolent and relaxed atmosphere that was created in order to entice the small investor. These shops were ‘less threatening than the average betting shop … [and] sucked [customers] into the alluring, heady world of modern money-culture’.

Matthew Orr, who ran the Quilter Goodison Money Centres characterised the underlying purpose of the share shops in fairly altruistic terms. ‘We’re going for new shareholders and those who’ve shied away from stockbrokers in the past’ he admitted. Why? Because ‘We want to get stockbroking out of the ivory towers and into the high street’. Again the issue of wider share ownership was cast as a force for good, democratising access to shares, and more evenly distributing wealth and even power. The reality, however, was much more simple. The share shop model was the result of companies in a rapidly expanding and competitive market seeking to secure sales and profits. As Jon Sundbo suggests, ‘In the early phase of the new competitive environment [in financial services], product innovation was seen as the major weapon for securing strategic advantage’. And this did not escape the notice of contemporaries. As *The Times* put it, ‘although there was much talk of “offering an all-round financial service” and “de-mystifying the stock market”, Quilter Goodison has opened in Debenhams for the same reason as all the other concessionaires; it believes there is money to be made’.

The purpose of the share shop was not indicative of an ideological commitment to the broadening of ownership in Britain as part of a project to redistribute wealth or engage the individual more actively in industrial democracy. This model of investment was based on exploiting an expanding but inexperienced and often ignorant private investor market through reconstructing share dealing and placing it into a more familiar environment, governed by a more familiar set of codes and behaviours:
We realise it might be many people’s first exposure to investment and the last thing we want is for it be a daunting experience … Being in a department store helps. If we’re near to fridges and shoes we are less likely to be intimidating.\textsuperscript{101}

The share shop can thus be seen as exercise in marketing. The share shop pioneers rebranded shares and the means of acquiring them by creating a model of investment that was suited to working and middle class consumers.

Stockbrokers, banks and building societies sought to place themselves at the heart of how the public interacted with shares, and more broadly with capital ownership. As suggested by the frequent references to building society ‘super stores’, financial ‘supermarkets’ and ‘financial consumerism’, the language used to describe access to ownership had changed. This reflected, however, the attempts by such groups to adapt to and capture the needs of a new market of small investors. Nonetheless, in doing so they worked inadvertently as institutional mechanisms of Thatcherism, by bringing share ownership onto the high street and into the everyday culture of the 1980s.

\textbf{Conclusion}

This article has built on existing work on Thatcherism as a political and social project by extending what is understood by ‘popular capitalism’ and how it functioned and unfolded during the 1980s. Share ownership provides a revealing case study of the processes through which elements of Thatcherism were given the appearance of cohering with ordinary economic behaviours. Particularly apparent is the fact that the dissemination and naturalisation of Thatcherism relied on much more than the efforts of the Party, or even their traditional supporters in the press alone. This is not to suggest that the push towards wider share ownership was in any sense an organised social movement, but it did involve a broad range of institutions and organisations. Financial institutions especially carried Thatcherism forwards of their own accord, largely due to a vested interest in capitalising on the profit opportunities created by a new group of consumers desiring new types of products. As the case of the \textit{Guardian} and the Co-op demonstrate, by engaging with and providing for private shareholders, some groups worked at odds with their ideological stance because services set up to facilitate capital transactions or provide information about investment inadvertently created institutional instruments for the emergence of a mass investment culture. The integral role of these organisations meant that this culture was not perfectly aligned with the Conservative Party’s ambitions nor with the vision they painted of popular capitalism. It is for this reason that financial consumerism better captures the changes in popular investment that occurred during the 1980s.

This does not mean, however, that the Party’s role should be ignored. Their political and cultural project was central to changing understandings of citizenship in the 1980s. Thatcher drew on well-established Conservative thought about the property-owning democracy. For example, the Party’s articulation of its desire to create an ‘opportunity state’ in the 1950s, can be seen in the language of popular capitalism. This presented property ownership as a form of aspirational consumerism.\textsuperscript{102} During the late 1970s and 1980s, the Conservatives united such ideas with citizenship and social obligation. Popular capitalism thus became about more than simply an opportunity for ownership. It became the duty of every citizen, as part of their pursuit of self-improvement to create a more economically prosperous society, less reliant on the state. In this way, Thatcher developed a concept of citizenship which was
intrinsically linked to the consumption of capital. And it was this narrative of consumption, present in popular capitalism, which was appropriated by the financial press and financial institutions selling their wares. Consequently, the advent of self-responsibility in the late twentieth century did not rely on a perfectly controlled Conservative Party scheme, but on a whole range of agents which assisted the individualistic pursuit of self-improvement. As Rose and Miller have suggested, in contemporary society political power is exerted through shifting interactions between disparate authorities in projects to govern areas of economic and social activity, as well as individual conduct. Personal finance is one area in which the technocratic apparatuses which enable power ‘beyond the state’ are particularly evident.

The above has outlined some of the processes which contemporaries such as Charlie Leadbeater and Stuart Hall noted at the time. Nonetheless, yet more work must be done to investigate how far financial consumerism converted Britain into a nation of financially self-governing citizens, in the same way that Conservative Party visions of popular capitalism anticipated. The 1980s was a time in which many individuals were forced into difficult decisions between personal politics and economic prudence. For many, the appeal of financial services did come from, nor lead to, the development of a detailed understanding of free markets and the workings of the stock market, but rather more a passive and ill-informed consumption of institutional investment products such as pension funds, unit trusts and life assurance policies. A parallel phenomenon, as lamented by share guide authors, was that many of those who bought shares in privatisation share issues swiftly sold them on for a quick profit. All such activities seem a far cry from Thatcher’s vision of a nation of capitalist and investors.

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