Pearson Edexcel Level 3 GCE

History

Advanced

Paper 1: Breadth study with interpretations
Option 1H: Britain transformed, 1918–97

Wednesday 6 June 2018 – Afternoon
Extracts Booklet

Paper Reference
9HI0/1H

Do not return this booklet with the question paper.

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Extracts for use with Section C.

Extract 1: From John Blundell, *Margaret Thatcher: A Portrait of the Iron Lady*, published 2008.

In 1979, Britain was the sick man of Europe. Inflation was rampant, the unions were out of control and the nationalised industries were under-performing, unaccountable, and gobbling up billions of pounds in subsidies. Even the French GDP was well ahead of the British. Radical policy solutions had been dismissed. The British were told by all sides that what was needed was stability not change.

18 years later Britain had jumped from 19th to 2nd place on the Organisation for Economic Co-operation and Development rankings of economic performance. It had become a nation of entrepreneurs with self-employment doubling from 7% to 14% of the workforce. The group we call the middle class had leapt from 33% to 50% of the population. Home ownership had also leapt from 53% to 71%, ownership of shares by individuals had gone from 7% to 23% and astonishingly among trade union members from 6% to 29%. Days lost to strikes had dropped from 29.5 million to 0.5 million, and tax rates were slashed. Margaret Thatcher was the pivotal point of the rescue of a country. She was the woman who woke up her nation and made it once again a world leader and player.

Extract 2: From Keith Barlow, *The Labour Movement in Britain from Thatcher to Blair*, published 2008.

For the Thatcher Government's objectives to be fulfilled a programme of public expenditure cuts was needed, mainly in those areas which contributed to what is known as the 'social wage'. Such measures included ending the link between the basic state pension and earnings. Other measures included the reduction and abolition of the earnings-related supplement to unemployment and other benefits from 1982, and cutbacks in the provision of sick pay and child benefit. Through these measures, the Government, on the basis of its own criteria, could claim a success in the fight against inflation in the period 1980 to 1984 together with a reduction in the Public Sector Borrowing Requirement*. Rather than a deficit, there was, in fact, a public sector surplus in the financial years 1987–88 to 1989–90. The social impact of these measures was evident. The burden of taxation was shifted onto those on low incomes to the benefit of those on high incomes. It was also clear that the 'welfare state', along with those it was supposed to serve, was going to have to shoulder the main burden of the Thatcher Government's economic strategy.

*Public Sector Borrowing Requirement – the amount the government needs to borrow in a particular financial year

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