Pearson Edexcel Level 3 GCE

Wednesday 24 May 2023

Morning (Time: 2 hours 15 minutes)

Paper reference **9HI0/1H**

History

Advanced

PAPER 1: Breadth study with interpretations

Option 1H: Britain transformed, 1918–97

Extracts Booklet

Do not return this Booklet with the question paper.

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Extracts for use with Section C.

Extract 1: From Robin Harris, *The Conservatives*, published 2013.

In the years when the anti-inflationary strategy was most consistently applied, inflation came down from 21.9 per cent in 1980 to 2.4 per cent in 1986. From 1981 government borrowing fell steadily, and from 1987 government revenue exceeded expenditure. Reforms were enacted which curbed trade union power and allowed industry, forcibly slimmed down by recession, to improve productivity.

During the second Thatcher government, the economic recovery accelerated. Unemployment started to fall. Large-scale privatisation proceeded at a swift pace. Losses were replaced with profits, which benefitted the taxpayer. Wider share ownership supplemented the large social changes such as the sale of council houses. The reduction of income tax rates increased incentives for high earners to stay and work in Britain, reducing tax avoidance, and increasing the flow of revenue into the Treasury.

Mrs Thatcher deliberately made British industry and workers face reality and adapt to it. Despite occasional setbacks, there was a clear and consistent strategy to revive Britain's economic strength and international standing. The most decisive political recognition of this is that Tony Blair made great public play of continuing the broad economic policies instituted by the Thatcher governments. The achievements of the Thatcher governments were startling.

Extract 2: From Jamie L Bronstein and Andrew T Harris, *Empire, State, and Society: Britain Since 1830*, published 2012.

The British economy during the Thatcher years had its ups and downs. Inflation had decreased. Deregulation of banks and building societies expanded consumer credit. Many also appreciated Thatcher because she made it possible for them to purchase their council houses at a discount. On the other hand, Thatcher presided over a permanent loss of 2 million relatively high-paid manufacturing jobs. The division between the wealthy South and the poorer North widened by the mid-1980s, because with the gradual decline of British manufacturing it was mostly Northern, formerly unionised men who bore the brunt of the unemployment. The results of privatisation were mixed. Some of the most bureaucratic public services, like British Telecom, seemed to benefit. But privatisation also created monopolies in sectors that had once been essential public services.

By 1990 Britain had sunk back into economic depression, with high interest rates. Thatcher had made targeting inflation a central part of her policy throughout the 1980s: now inflation was again at a high level, calling into question the sacrifices people had had to make. Household unemployment hovered at almost 20 per cent, and the number of poor people more than doubled.

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Acknowledgements

Extract 1 from: Robin Harris, *The Conservatives*, Corgi, 2013

Extract 2 from: Jamie L Bronstein and Andrew T Harris, *Empire, State, and Society: Britain Since 1830*, Wiley-Blackwell, 2012