

Pearson Edexcel Level 3 GCE

History

Advanced Subsidiary

Paper 1: Breadth study with interpretations

Option 1H: Britain transformed, 1918–97

Sample assessment materials for first teaching

September 2015

Extracts Booklet

Paper Reference

8HI0/1H

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Extracts for use with Section C.

Extract 1: From Leslie Hannah, *Crisis and Turnaround? 1973–1993*, published 1995.

In the 1980s, the clearest indicator to ordinary people of the productivity increase was the rapid and sustained rise in earnings of those in work. Indeed the rise in real earnings was the most rapid on record. Consumption increased even more rapidly. Easy credit, rising imports and an expected decline in inflation permitted a spending spree which peaked in the artificial and unsustainable boom of the late 1980s. With the employed workforce rising from 22.5 million in 1979 to 26.9 million at the peak in 1989 (the bulk of the increase being among women and in the service industries), more people were becoming better-off faster than in any previous decade in British history. 5

Extract 2: From Norman Lowe, *Mastering Modern British History*, reprinted 1998.

[In the 1980s,] successive income tax reductions, particularly in 1988, benefited the rich more than the poor: the richest 20 per cent gained by almost a third, whereas the poorest 20 per cent gained only 1 per cent in income. Higher direct taxes such as VAT meant that people on low incomes had to pay the same VAT increases as those on the highest incomes, for example on commodities like petrol, and they were therefore relatively worse off. Although the wages of most people in work rose, salaries of top people rose by much more than those of skilled workers. By 1993, the gap between the highest and lowest wages was the widest since records began. According to a study of social inequality, between 1979 and 1991, the incomes of the bottom sixth of the workforce actually fell. 10 15

Tighter regulations made it more difficult for young people to get social security benefits, and it was no surprise when beggars began to appear on the streets again. With unemployment running permanently at around 3 million, it seemed that Thatcherite policies had created, or at least been unable to prevent, the emergence of a permanent 'underclass' for whom there was no longer any role in society. 20 25

Acknowledgements

Extract 1 is from Leslie Hannah, '*Crisis and Turnaround? 1973–1993*' in Paul Johnson (Ed), *20th Century Britain: Economic, Social and Cultural Change*, Longman 1995; Extract 2 is from Norman Lowe, *Mastering Modern British History*, Palgrave Macmillan 2009, reproduced with permission of Palgrave Macmillan

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