

Pearson Edexcel Level 3 GCE

History

Advanced

Paper 1: Breadth study with interpretations

Option 1H: Britain transformed, 1918–97

Sample assessment materials for first teaching
September 2015

Extracts Booklet

Paper Reference

9HI0/1H

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Extracts for use with Section C.

Extract 1: From Peter Clarke, *Hope and Glory: Britain 1900–2000*, published 2004.

Privatisation undoubtedly made share ownership more accessible than before. During the 1980s the number of shareholders in the UK showed a threefold increase, to a total of 9 million. The fact is that these new shareholdings were puny in economic terms. Their importance to the individuals holding them was another matter; and this may not have been financial so much as psychological, helping to create more favourable attitudes towards business. If not popular capitalism in a full sense, privatisation temporarily made capitalism more popular. But the greatest success for privatisation was in promoting the Conservative idea of a 'property-owning democracy'. The policy of giving council tenants the right to buy their own homes at discounted prices was implemented in 1980. By 1987, 1 million dwellings had transferred from the public sector to owner occupation. 5 10

What privatisation did was to help push owner-occupation up, bringing it within the reach of upwardly mobile skilled workers (C2s). On council estates, a freshly painted door and a copy of *The Sun* in the letter-box was a signal of Thatcher's achievement in remaking the Conservative Party. 15

Extract 2 : From Eric Evans, *Thatcher and Thatcherism*, 3rd edition published 2013.

On another level privatisation was less successful. The base of share-ownership initially broadened considerably. There were 3 million private shareholders when Thatcher came to office and almost 11 million when she left it. However, these new small shareholders hardly became the generation of risk-taking, wealth-enhancing popular capitalists of Thatcher's dreams. Many kept their stocks only long enough to bank, or spend, quick profits. Most [stocks] quickly found their way back to the large financial institutions. Public support for privatisation dwindled as people realised that, all too often its theoretical benefits were disproved by dubious practices. 20 25

Too often, publicly-owned monopolies were not replaced by private enterprise offering efficiency and vigorous competition giving consumers high-quality service at low prices. They were replaced instead by privately-owned monopolies providing no better service than before. Chief executives of these monopolies increased the profit expectations of their shareholders (who, of course, included themselves) by cutting workforces and asserting that business had become 'leaner and fitter'. Public support for privatisation flagged, and the policy, though certainly not abandoned was no longer marketed as a vote winner. 30

Acknowledgements

Extract 1 is from Peter Clarke, *Hope and Glory: Britain 1900-2000 (2nd revised edition)*, Penguin 2004; Extract 2 is from Eric J Evans, *Thatcher and Thatcherism*, Routledge 2004 © 2014 Cengage.

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