

Paper Reference 9EB0/02
Pearson Edexcel
Level 3 GCE

Economics B
Advanced
PAPER 2: Competing in the global economy

Monday 20 May 2024 – Afternoon

Data Booklet

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Extract A

Trade Union Congress report on inflation

Inflation in 2023 has not been driven by pay, it was driven by energy and overseas commodity price shocks. While workers and their unions sought to protect themselves with higher wages, they are not driving price rises. But
5 even though inflation originated from higher costs on international markets, the government has focused on measures that seek to reduce demand in the economy.

The Bank of England's response has been to rapidly raise interest rates from 0·1% to 5·25%. This approach hits some groups far harder than others.
10 Costs have increased rapidly for households with unsecured debt, people renting properties, those with outstanding mortgage payments and firms relying on credit. Bank and energy company profits, city bonuses and salaries for certain professional and business services have risen.

Extract B

Food poverty and health

In June 2023, a School And Public Health Nurses Association (SAPHNA) report found a deterioration in children's health due to a rise in the cost of food. The Vice-Chair of the Local Government Association's Community Wellbeing Board
5 said:

"These findings are deeply concerning and show that a rise in the cost of living is having harmful effects on children's health. Food inflation is at its highest for almost 50 years and this is hitting the poorest households hardest. If a child has a free school meal, that will save their family £500 a year. This is
10 now more important than ever."

In October 2023, the Deputy Conservative Party Chair, Lee Anderson, claimed that "there is no poverty in Britain". Mr Anderson said that he "doesn't believe" in "poverty nonsense" and that the UK "is not an impoverished island".

Extract C

Child Poverty in 2023

Education is starting to be seen as a luxury, as the costs associated with getting a child to school and successfully engaging in education become too much. Many households are going without heating or washing due to the
5 significant costs of doing so. This is leaving children without basic levels of hygiene and wellbeing, with many living in cold, damp homes. They cannot afford the basic standard of physical care required to make their attendance in education possible, let alone the essential resources required to travel to their education settings, or access learning online and at home.

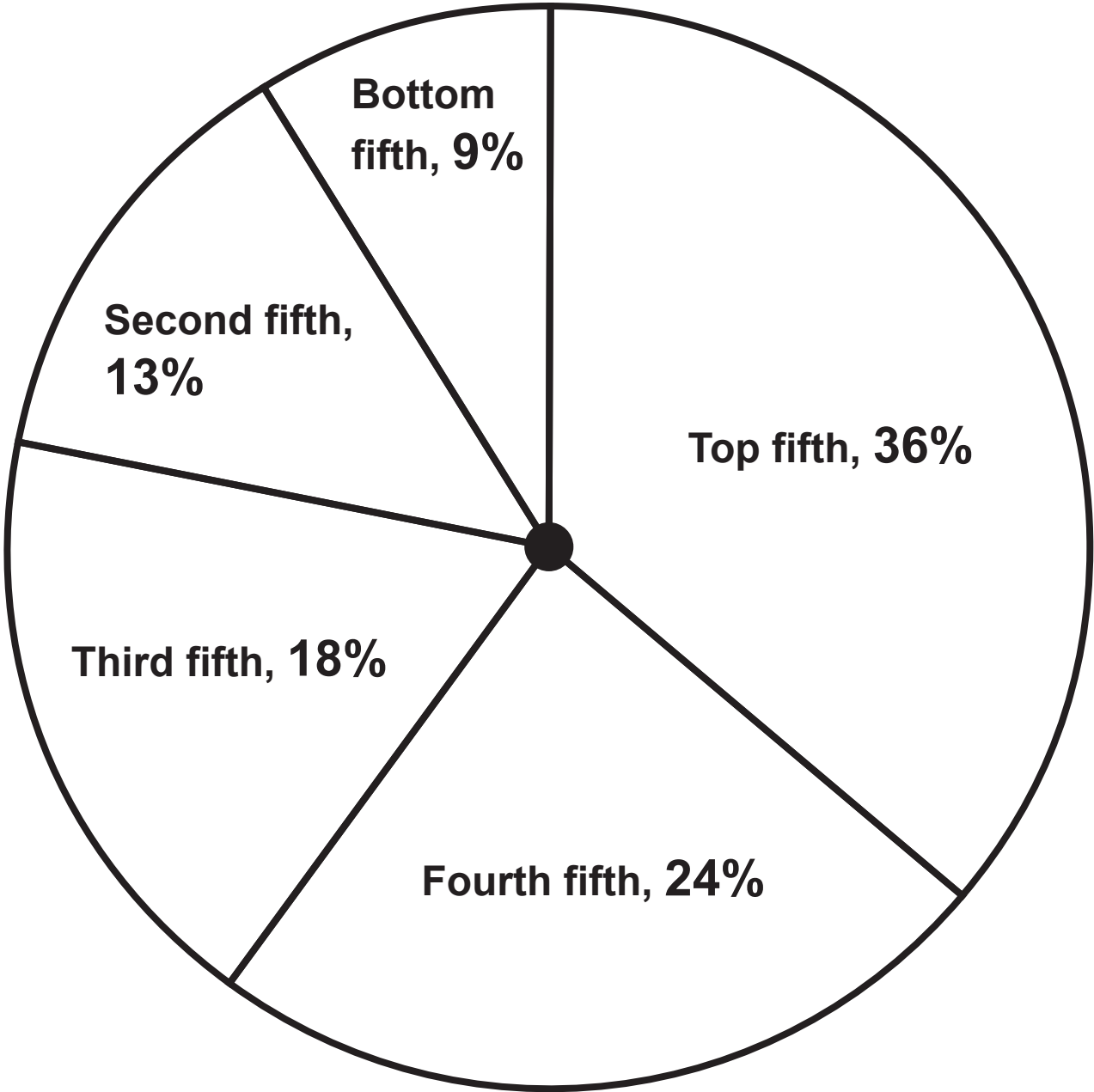
Extract D

The index for bread prices in the United Kingdom from 2018 to 2023

Year	Average price white sliced bread (800 grams)	Index
2018	£1.05	100
2019	£1.07	102
2020	£1.05	100
2021	£1.06	101
2022	£1.20	114
2023	£1.36	

Extract E

How total household disposable income was shared between quintiles in the UK in 2022



Extract F

Small number of large multinational firms dominate cloud computer services

- In October **2023**, the Office of Communications (Ofcom), the UK Government—approved regulatory authority for the broadcasting, telecommunications and postal industries, referred the public cloud infrastructure services market to the Competition and Markets Authority (CMA). This was for an independent market investigation to consider whether there are competition concerns and, if so, what interventions might improve the supply of these important services for UK customers.
- 10** Cloud services allow remote access to computing resources. They are being rapidly adopted by many businesses and have become an essential part of how many digital services are delivered to consumers. Ofcom has estimated that the market for cloud services in the UK was worth up to **£7·5 billion** in **2022**.

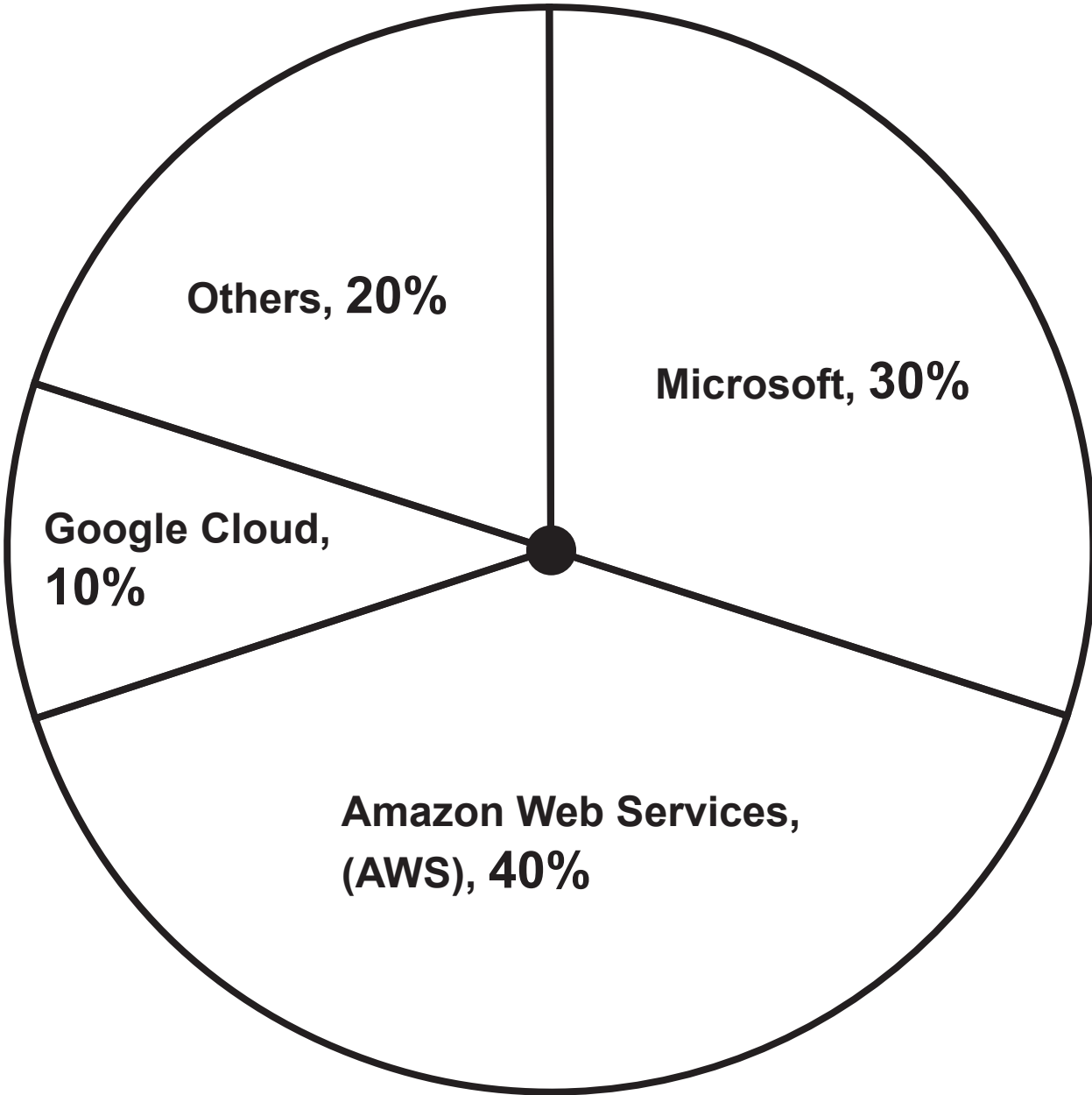
- 15** In its study, Ofcom identified several features in the supply of cloud services that make it more difficult for customers to switch cloud suppliers.

The features that Ofcom is most concerned about are:

- Egress fees – charges that cloud customers must pay to move their data to another supplier
- Discounts – that may incentivise customers to use only one cloud provider
- 20** • Technical barriers to switching – that may prevent customers from being able to switch between different cloud suppliers.

Extract G

UK cloud computer services market share, 2023



Extract H

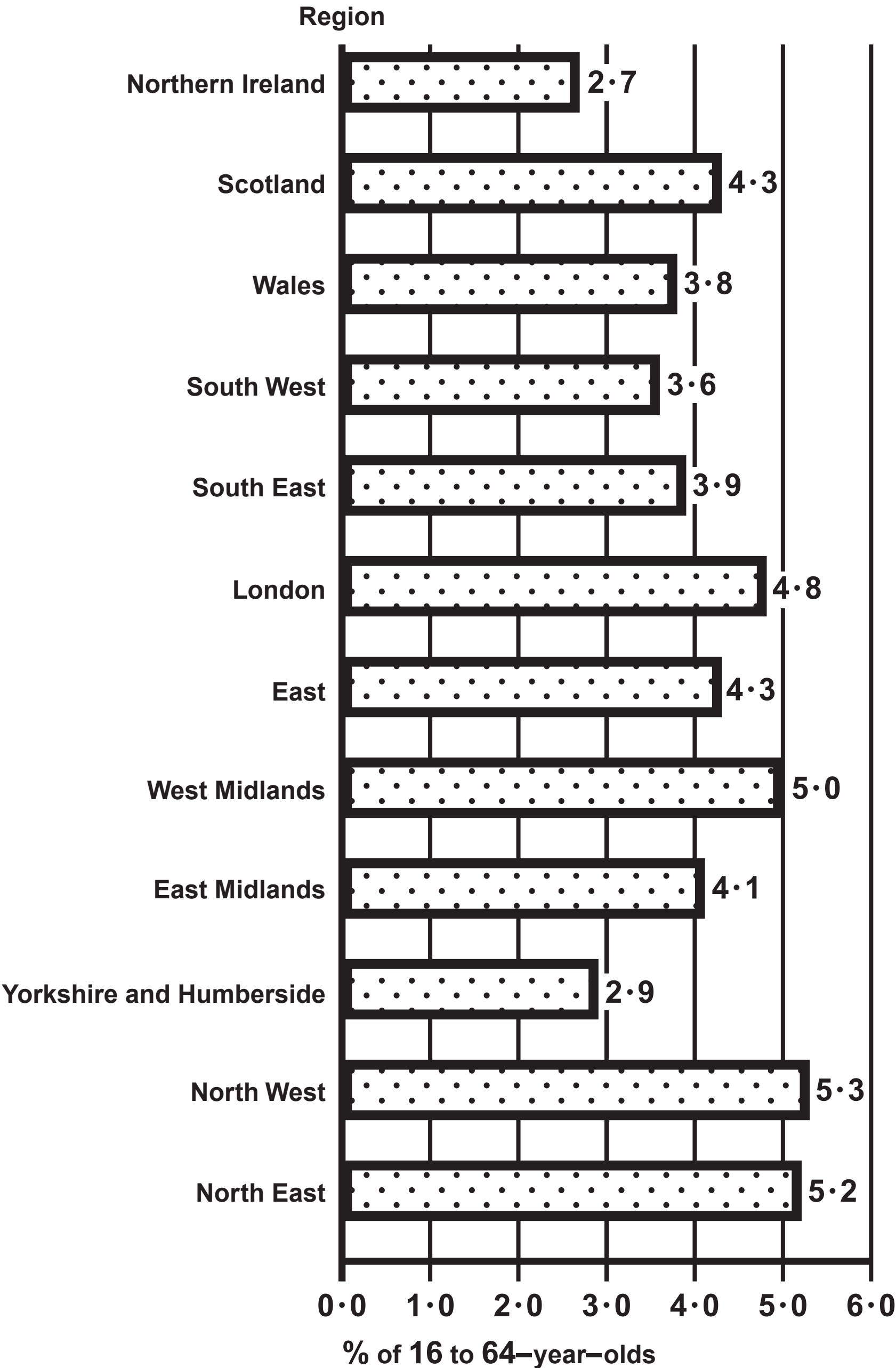
Will artificial intelligence (AI) replace people?

Despite their limitations **ChatGPT** and other recently released AI models hold the promise of automating all sorts of tasks that were previously thought to be only in the realm of human creativity, reasoning, writing, creating graphics and summarising and analysing data. This has left economists unsure how jobs and overall productivity might be affected.

For all the amazing advances in AI and other digital tools in the last **10** years, their record in improving prosperity and widespread economic growth is discouraging. Although a few investors and entrepreneurs have become very rich, most people have not benefitted. Some jobs have completely disappeared after being automated.

Extract I

UK unemployment by region, September 2023



Sources

Extract A

(Source: adapted from <https://www.tuc.org.uk/research-analysis/reports/workers-are-not-blame-cost-living-crisis>)

Extract B

(Source: adapted from <https://www.local.gov.uk/about/news/concerning-food-inflation-rise-impacts-childrens-health-lga-responds-saphna-report> and <https://www.independent.co.uk/tv/news/lee-anderson-poverty-tory-conference-b2423960.html>)

Extract C

(Source: adapted from <https://buttleuk.org/news/news-list/state-of-child-poverty-2023/>)

Extract D

(Source: adapted from <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czoh/mm23>)

Extract E

(Source: adapted from <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2022>)

Extract F

(Source: adapted from <https://www.gov.uk/government/news/cma-launches-market-investigation-into-cloud-services>)

Extract G

(Source: adapted from <https://www.ofcom.org.uk/news-centre/2023/ofcom-refers-uk-cloud-market-to-cma-for-investigation#:~:text=There%20are%20two%20leading%20providers,70%2D80%25%20in%202022>)

Extract H

(Source: adapted from <https://www.technologyreview.com/2023/03/25/1070275/chatgpt-revolutionize-economy-decide-what-looks-like/>)

(continued on the next page)

Sources continued.

Extract I

(Source adapted from: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/september2023>)