**Britain's economy in the 20th century**

In the first half of the 20th century Britain's traditional manufacturing industries declined – this led to social problems in the north of England, Scotland and South Wales. The worst decline was in the 'heavy' industries - coal, steel and shipbuilding.

**The Depression of the 1930s**

The worst period of decline was the Depression of the 1930s. Unemployment rose to 3 million - a quarter of the workforce. In Jarrow, a ship-building town near Newcastle, it reached 73 per cent. Men formed the Jarrow Crusade (1936) and marched to London to petition the government to help. Unemployment meant that people relied on charities and the government for their money, which caused a big strain on the economy. However, the lack of a proper welfare state at this time (where benefits are paid to the poor) meant that many people were left homeless or without what they needed. Thus, people resorted to crime and this cost the government and the economy more money.

**Britain’s economic recovery after the World War Two**

After World War Two the country was initially in debt. However, this was the case over most of the world so Britain had time to catch up. The loss of empire allowed Britain to concentrate its money on development at home rather than funding wars elsewhere. This meant that the new welfare state helped even the poorest classes experience some of the country’s economic success.

* Britain became a world leader in many high-tech industries such as aerospace and computer software, and as a provider of financial services.
* New economic theories gave the government the means to control the economy.
* Britain benefited from the communications revolution – eg the motor car, air travel, TV, the internet, mobile phones and social networking. The world 'shrank'.
* Until the 1960s, Britain was part of a trading community based on the Empire. In 1973, Britain joined the European Economic Community, and became part of a trading community based on free trade between the countries of Europe.

By the end of the 20th century, governments were seeking, not just prosperity and economic growth, but 'sustainable development'. This is growth that will not wreck the environment or use up non-renewable resources, meaning that such resources will be available for the country to continue to use in the future, allowing the economy to carry on growing.