

Positive and Normative Statements

Detecting bias in arguments

Whenever you are reading articles on current affairs it is important to be able to distinguish between **objective** and **subjective statements**.

Often, the person writing an article has a particular argument to make and will include **subjective statements** about what ought to be or what should be happening. Their articles carry **value judgements** where they are trying to persuade you of the particular merits or demerits of a policy decision. These articles may be lacking in objectivity.

Positive Statements

Positive statements are **objective statements** that can be tested or rejected by referring to the available evidence. Positive economics deals with **objective explanation** and the testing and rejection of theories. For example:

- A fall in incomes will lead to a rise in demand for own-label supermarket foods
- If the government raises the tax on beer, this will lead to a fall in profits of the brewers.
- The rising price of crude oil on world markets will lead to an increase in cycling to work
- A reduction in income tax will improve the incentives of the unemployed to find work.
- A rise in average temperatures will increase the demand for sun screen products.
- Higher interest rates will reduce house prices
- Cut-price alcohol has increased the demand for alcohol among teenagers
- A car scrappage scheme will lead to fall in the price of second hand cars

Normative Statements

Normative statements express an **opinion** about what ought to be. They are subjective statements rather than objective statements – i.e. they carry **value judgments**. For example:

- Pollution is the most serious of all economic problems
- The congestion charge for drivers of [petrol-guzzling cars](#) should increase to £25
- The government should [increase the minimum wage](#) to £6 per hour to reduce poverty.
- The government is right to introduce a [ban on smoking in public places](#).
- The retirement age should be raised to 70 to combat the effects of our ageing population.
- Resources are best allocated by allowing the market mechanism to work freely
- The government should enforce minimum prices for beers and lagers sold in supermarkets and off-licences.

