**Positive and Normative Economics**

For the following scenarios/issues/topics suggest three positive and three normative pieces of information which the government **might require in order to make an informed** decision.

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| **Issue** | **Normative Information*****What value judgements might be useful to know?*** | **Positive Information*****What verifiable data might be useful to know?*** |
| The ongoing refugee crisis. |  |  |
| Changing the national minimum wage. |  |  |
| Changing benefits for the unemployed. |  |  |
| Outsourcing more aspects of the NHS to the private sector. |  |  |
| Introducing a new tax on banker’s bonuses. |  |  |
| Military intervention in Syria. |  |  |
| Scrapping austerity measures. |  |  |

**Mr Wilson’s Thinking Further Challenge…** How might the conflicts between positive and normative economics make a government’s decision more difficult?
Why might the government be more inclined to listen to normative economics more than positive?
Can you think of any real examples to support your answers?

***The sentences in this statement can be separated into two categories, identify what you think these categories are and highlight them below.***

***“Smoking is bad for you. Around 10 million people in the UK smoke, 22% of men and 17% of women. I think that it not only shortens your life expectancy, by increasing the risk of serious illnesses; but it also reduces your quality of life whilst you are alive. Two thirds of smokers start before the age of 18, so I think we should focus upon stopping adverts and branding aimed at young people. About 77% of the price of a pack of cigarettes is taxation, but I do not think this is high enough – even though this generates £12.3billion in tax revenue for the UK government. It should be higher, much higher; especially as it costs the NHS around £5billion every year to treat smoking related diseases. It is very bad!”***