

# positive economics and normative economics

*foundations of economics*

# *positive and normative economics*

- a *positive economic statement* is one that may be proven to be right or wrong by looking at the facts
  - example: unemployment rates at 4% in China
  - it's an analysis of *what is*
- a *normative economic statement* is a matter of opinion and cannot be conclusively proven to be right or wrong.
  - example: china ought to curb unemployment
  - it is an analysis of *what ought to be*