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SPECIFICITY OF NORMATIVISM AND POSITIVISM OF ECONOMIC THEORY

Resume: *The article reveals the specifics of the interpretation of normism and positivism in scientific knowledge and economic theory.*

Key words: *descriptivism, normativism, positivism, reflective knowledge, economic theory*

СПЕЦИФИКА НОРМАТИВИЗМА И ПОЗИТИВИЗМА ЭКОНОМИЧЕСКОЙ ТЕОРИИ

Аннотация: *В статье раскрывается специфика трактовки нормативизма и позитивизма в научном познании и экономической теории.*

Ключевые слова: *дескриптивизм, нормативизм , позитивизм, рефлективное знание , экономическая теория*

All our ideas about the economic life of society are formed by various economic theories (recall: a theory is a generally recognized systemically presented scientific idea), which are divided into: positive and normative. Positive theories are limited to judgments about how the economic life of society really works. J.S. Mill (1806-1873) is considered the founder of positivism, who believed that principles and theoretical methods cannot be built without experience, they must be derived from observations and therefore placed cause-effect relationships at the center of economic science. The scientist wrote: “Scientific explanation consists of explanations of the effects and their causes.” 1 JS Mill distinguished four methods in establishing the truth: 1) experimental, when only facts are recorded; 2) abstract, when everything is explained by one reason; 3) direct deductive, when many reasons are taken into account; 4) inverse-deductive, when the revealed economic laws are explained by the abilities of people. The scientist himself in his research was mainly guided by the method of reverse deduction.2 This approach is based on judgments confirmed by facts, describing phenomena as the researcher sees them. Positive statements are descriptive, indicate what is in the economy, but do not indicate what should be. Positive economics reveals the relationship between economic variables and predicts what will happen if one or another variable changes.

A positive approach presupposes an objective analysis and forecasting of the consequences to which this or that decision of an economic entity may lead; to identify the prospects of the choice being made; evaluate its opportunity costs. A positive analysis allows you to identify the cause-and-effect relationship between the studied phenomena and answer the question: "What takes place in the economy?" Positive economic theory explains how the economy functions, how society solves key economic problems. She describes, analyzes, but does not give recommendations (for example, a positive economy explains why in Russia the volume of production of goods and services in 1990–1998 declined by more than 45%). Normative economic theories contain value judgments about what should be. They are able to explain economic phenomena and, on their basis, contribute to the development of economic policy. Normative economics covers moral and value assessments of economic phenomena and processes, guided by the knowledge of positive economics.

Normative statements are advisory in nature, and speak about what should be, not what actually is. For example, it is regulatory that people with higher incomes should pay more personal income tax than people with lower incomes. Say, what is the acceptable inflation rate or interest rate? Should incomes be redistributed to the poor through taxation systems? How fast should defense spending rise or fall? The answers to these questions are dictated by political choice.1 The normative approach gives a subjective assessment of the analyzed phenomena, as well as practical recommendations and recipes for action. Economic policy is based on normative economics, i.e. making economic decisions, and in the course of implementing economic policy, the state pursues various goals. Normative economics decides on the basis of positive analysis whether or not certain steps and actions should be taken; assesses them from the point of view of a variety of factors and their influence on the object under study (economic and political interests; world outlook; ideology, etc.). Normative analysis allows us to go beyond simple explanations and forecasts, presupposes the development of economic policy and its specific options and gives an answer to the question: "What should be in the economy?" The difference between positive and normative theories is that the former is concerned with the knowledge and operation of economic laws, while the latter is concerned with their use. This distinction is often conditional, since the normative principle may be implicitly contained in the initial postulates of the theory. The main disagreements between economists arise precisely in the normative approaches due to different values, ideals, principles, ideologies. Positive and regulatory statements are relative. Academic economists predominantly turn to positive statements, and politicians, as a rule, to normative statements ("must", "necessary", etc.). A theory is recognized as true, or at least plausible, if there are facts confirming it and there are no refuting facts. The prerequisites of a theory may not coincide with the circumstances of the appearance of facts, and the classification of a fact as essential for the theory or, on the contrary, as concomitant and accidental is not always obvious. In addition, to establish any fact, the observer's attention must be focused in a certain way. Theory is nothing more than a way of such focusing, so facts, as a rule, cannot be considered independent of theory.

Economic theory (political economy) considers under the general term "relations of production" the relations of subjects of the economy (in the general sense - people) not only directly during production. Having left the production process, the product goes through a complex path associated with the exchange of one product for another, with its distribution and ends with consumption. In subsistence farming, the produced product is distributed simply: part of the product remains for the domestic consumption of the family, the other part for the resumption of agricultural work next year. Such a family does not enter into industrial relations with other similar families. If she runs a closed economy, and produces with her labor everything necessary to meet needs. But in modern conditions of commodity production, manufacturers of any type of product do not consume it completely themselves, or consume only partially. To satisfy needs, modern manufacturers need a wide range of products, in the production of which they did not directly participate in any way. It should be noted that there is a distinction between the exchange of results of activity in production itself and the exchange of products. In social production, there is a division of labor in which individual workers, groups of workers (labor collectives) and entire sectors of the economy, consisting of many enterprises, specialize in the manufacture of any one product (product), a number of goods, or in the implementation of a certain technical labor operation , for example, a part of a technically complex unit is made. Exchange within production stems from the technological specifics of production and is based on the technological division of labor within the production process, thus exchange acts as a connecting factor that unites individual labor operations into a single whole. Therefore, social production acts as an exchange of the results of the activities of people participating jointly in the production of material goods. K. Marx, pointing out this feature, noted that people "cannot produce without uniting in a known way for joint activity and for the mutual exchange of their activity." Therefore, relations of production include not only relations regarding production itself, but also relations of exchange, as well as relations of distribution. The exchange of results of activity in the production process is understood as the relationship of workers, a group of workers, entire enterprises operating in the system of social division of labor and interacting as producers and consumers. This type of exchange is usually called the exchange of goods, its main difference is that it occurs on the basis of the social division of labor or specialization of economic entities in the production of a particular product (commodity).

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