

Kamen Mirkovich, Professor, Dr. Ec. Scs.

POLITICAL ECONOMY AND ECONOMICS: CRITICISM OF ATTITUDES TOWARDS SIMILARITIES AND DIFFERENCES BETWEEN THEM*

This paper presents a detailed criticism of U. M. Ossipov's thesis concerning the science of Economics, which he claims to be drifting away from its subject and who, in that connection, advocates the return of economic science to its classical and philosophical foundations. A constructive criticism of Ossipov's thesis is offered, and the need for synthesizing economics and political economy into theoretical economy is substantiated. In it, besides the theory of marginal utility, there must also be developed the theory of marginal value, and they should be given equal standing in economic science.

JEL: A12; A13; B52

The subject of Economics is read at the University of National and World Economy, Sofia, as well as in other schools of higher education in this country; since 1990 it has replaced the teaching of Marxist political economy, which was provoked by the socio-economic and political changes in Eastern Europe and in particular by the abolishment of the centrally planned economy and its transition to a developed market economy. Our academic community responded conscientiously to that task, being convicted about the objective need and the scientific validity of such a transition in the contents of economic theory. During the past 12 years we achieved high level teaching of Economics, commensurable with that of prestigious Western Universities (in some cases we are even better). There were written and published some good manuals in Economics, there was also some research done in that field.

There is also the belief that the theoretical level of Political Economy is higher than that of Economics, and unlike Political Economy, Economics is dealing only with economic phenomena, it is a superficial science and does not delve into the essence of economic processes. Some voices are raised in favour of going back to the classical political economy.

In this paper I express my personal attitude towards these issues in order to give rise to a discussion, which should lead to beneficial results concerning the development and teaching of economic theory in this country.

The particular occasion which made me comment these issues is the discussion held by research workers and lecturers in Economics and Philosophy in Moscow and St. Petersburg in the end of the last century, in which a considerable number of colleagues took part. The clearest and most general expression of its nature and purpose, however, were the views of prof. Y. M. Ossipov from Moscow

* Paper presented at the National Seminar-Discussion on Issues of Economic Theory organized by the University of National and World Economy - held on 12.06.2003.

State University on economic civilization, scientific economy and their eschatology, and his theory gave a new explanation of the nature and development of contemporary Economics and Economic Science¹. That is why it is those two I am going to dwell on.

The Main Points of Prof. Y. M. Ossipov's Theory

On Economic Civilization

Prof. Y. M. Ossipov introduced the concept of *economic civilization*, by which he actually referred to the modern developed market economy (capitalist economy). In his opinion economic civilization is a special type or way of realization of property (property is a broader concept than economy). "So, the economy is such a type of property that is achieved not just because of the production and consumption of goods, because of satisfying wants and even because of the realization of life, but because of ... money, for its production and use, for satisfying money needs and the realization of the monetary, or better still - "moneyed" life."² He refers to economy as "money property", "money-nomics", "value property", "value-nomics", "capitalist economy", "capitalnomics", "economic property", etc.

Economic property is brought forth by the natural property, however, it continues to exist along with it and even to interact with it, since no economy can exist without naturalness and without the natural economy, although it is in itself antinatural, value-oriented. The natural property precedes the economic property, and after that there is a transition from the natural to the economic property, which in some countries (from the third world and also among post-socialist ones) is still going on. Economic property possesses the property of historicity. *The historicity of the economic property (historicity of economic civilization)* consists in the fact that, firstly, it is the product of the transition from natural to economic property and secondly, that in the future it is possible to have a transition from economic to some *non-economic property*.

The economy is a special historic way of the property. Having originated from the natural property, it defeats and subjects the latter. Prof. Ossipov calls this an *economic revolution* (which took place in Western Europe), the result of which is the rise of economic civilization. In the basis of economic civilization there lies the phenomenon of *economism*, which covers not only the property (the production and consumption of goods), but also the non-property property, that is, the entire social and political life. Economic civilization turns out to be something more than its very economy - it is not only a way of the economy, but a way of life.

Economic civilization is based on economism, economic account, economic

¹ See: Ossipov, Y. M., V. T. Poulyayev, St. Petersburg. Economic Theory on the Threshold of the XXI Century. Petropolis, 1996; Economic Theory on the Threshold of the XXI Century. Vol. 2. Eds. Y. M. Ossipov et al. Moscow, Yurist Publishing House, 1998; Economic Theory on the Threshold of the XXI Century. Vol. 3 (Economic Civilization and Scientific Economy). Y.M. Ossipov and E.S. Zatova, eds. Moscow, Yurist Publishing House, 2000.

² Ossipov, Y. M. Economic Civilization and Scientific Economy..., p. 9.

assessment and decisions. There is a lot of the social in the economic aspect, but it is not only the social that is found in the economic one. The latter contains most of all what is neither natural nor social - it is characterized mostly by being associated with non-naturalness and non-socialness and even with the non-economic and that is the technological. In the economy and economism there is a lot of the technological. The economic aspect has created its own *economized world* in which the whole life of a man is economized. Man lives under the conditions and within the framework of economic civilization. The naturally determined property is replaced and complemented by the non-natural, by the economically determined property, by the economization of the property. The non-natural economic stimulates the non-natural technological. Economic civilization is above all technologized property, it is technologized and technogenic civilization. Besides, there is no economy without politics, without state bodies, without ownership, without seizure, without exploitation. The economy permeates all aspects of social life. It is civilization in its entire qualitative variety.

It wasn't modern religion that gave rise to economy but the other way round. It also gave birth to its own economic science. In economic civilization there is a priority of the economic over the ideological. It is not the value that ensues from religion and science, but the other way round - they both ensue from the value. The value is primary, although its full functional liberation is dependent on the respective religious and ideological coups. Here we have the historic triumph of economic civilization. We have witnessed not only the broadening of the economy, but its decisive globalization, the economization of the planet and outer space. The sphere of the economy is broadening steadily, while the economic world is getting more complex.

On Scientific Economy

Prof. Y. M. Ossipov uses the term *scientific economy* without identifying it with the term *economic science*. In the light of his beliefs that is not insignificant. In his opinion, economic science is a broader term than scientific economy. The latter (he has in mind modern scientific economy, i.e. economics) is a fundamental part of economic science (beyond it there are things which can be referred to as economic practice and some technical aspects of economy, but such aspects, to which economic science bears certain relation. Scientific economy is called upon to describe, clarify and rationalize the economic world, as well as to ideologize, critically assess and substantiate its perfection and transformation. However, it is neither religious, as the economic world is desacralized enough (although historically at the time of its birth economic science touched upon religion), nor philosophical (although historically economic science was derived from philosophy).

Economic civilization can not have any other ideology except the scientific one (the role performed by scientific economy), since scientific ideology possesses the necessary power to progress. Because in principle the economy is close to

(gravitates towards) science, while science is close to engineering and technology, the economy calls to life science and technology, while they on their part refer to the economy, taking it as organically connected with them. "Scientific economy is such a historical fact, as is economic civilization itself. What is more, scientific economy is, quite naturally, just like the economic science itself, the most important constituent part of economic civilization. The economy, breaking up the non-economic shelter over socio-economic life, has stirred up scientific thought and brought forth scientific economy along with economic civilization. Scientific economy has made great efforts to affirm the existence of economic civilization. Without scientific economy we could not get to know the economy, economism and economic civilization, although, naturally, full knowledge of those is possible only through calling for knowledge which goes beyond the boundaries of our own economy, that is, which requires a metacognitive approach, provided mainly by philosophy and religion."³

According to prof. Ossipov scientific economy is self-restrained. In that respect we must take into consideration the following points developed by him.

First. Each type of knowledge gets self-restrained and clamps up in itself, because being specialized it strives for specialized purity. That separates it from the other knowledge which is unnecessary and even harmful, but that should be the end of its self-restraintness as regards content. However, the problem boils down not just to the specialized wholeness of knowledge (which is normal), but to some vices, which inevitably manifest themselves in the achieved, specialized self-restrained wholeness. There comes a moment when: the specialized self-restrained knowledge does not notice and cannot explain the entire richness of content of the specialized subject; specialized knowledge begins to contradict its very self; it is unable to discern the new in its subject; what is more, it turns out to be unable to see its own turning into something else. Naturally, specialized knowledge can use its own reserves, by making a transition towards a new postulation, towards a new axiomativity and a new paradigm of its subject, however these reserves are limited, since despite that fact knowledge does remain within its specialized purity. In fact, the actual transition should be based on external (other) knowledge, which requires going beyond the limits of the specialized one.

Second. Scientific knowledge has formed and affirmed itself in a negativist struggle with religious and philosophical knowledge. Science itself has introduced the difference between scientific and non-scientific knowledge, incorporating the latter not only the daily (not rationalized scientifically) knowledge, but also much of the philosophical and almost entirely the religious knowledge. According to science everything which does not meet the science criterion, is not only non-scientific, but does not possess any considerable value. *Scientific knowledge, however, is far from being all the knowledge there is.* Neither the religious, nor the

³ Ossipov, Y. M. Economic Civilization and Scientific Economy ..., p. 14.

philosophical knowledge in its foundation can fully be associated with the scientific, since they do not entirely rest on the criteria of reliability, provability, logic and practical significance, adopted by scientific knowledge. But religion and philosophy are also knowledge. The scientific, although varied, is knowledge that is poor enough, since science is limited within the sphere of the kind of life, which it can know scientifically. However, that is not the entire life, since in it there is a lot which can not be known by science, but through other ways of knowledge - by imagination and revelation. There is the zone of science, of scientific research and scientific knowledge, there is also the zone, stretching beyond the realm of science, that is the zone of non-science, of non-scientific reasoning, of non-scientific knowledge (ultimately this is the zone of near science, of near scientific reasoning, of near scientific knowledge). This is the zone of scientific uncertainty, which cannot be covered by science, and zone of *transcendentality*, in this case - *economic transcendentality*. This is something beyond reason, although to some extent available to reason, albeit available not in a scientific way, but in an ideological and revealable way. Science is necessary, but: we cannot be satisfied only with scientific knowledge, disregarding the other types; we should not treat scientific knowledge as something higher in comparison with the other types of knowledge, because this is far from truth; we should see the limits of science and should not get intoxicated by science and scientific knowledge, should not submit ourselves to the illusion of scientism, should not forget that it is empty without philosophy and religion. It is necessary that we see not only the great significance of science in knowing and transforming the world, but also its utter finiteness.

Third. Scientific economy has sprung from philosophy, and in some aspects - from religion. But like every other science, scientific economy itself has eventually despised its parental sources, and bybreaking the connections with them, has turned entirely into a "scientific science". The definitive breakaway of scientific economy from philosophy and religion occurred in the middle of the XX century, when practicalness and mathematics defeated theoretical economy, by turning it into a direct image of an exact science. Scientific economy has always been "a scientific science", however in its basis this did not happen suddenly. The scientization of economic knowledge occurred gradually. And while the still theoretical economy remained political economy of the classical type (in the middle of the XIX century), it also remained to a certain extent a philosophical science (related to philosophy). From that moment on, since theoretical economy could no longer be called political economy, it turned into a "scientific science" in the proper sense. The new name of theoretical economy is economics. The political economy is more of an ideological, explanatory and social science, than the science of economics. Economics has a certain tendency towards functionality, constructionism, technologicality, it is more of an official rather than ideological knowledge.

Fourth. Having become economics, the theoretical economy completely got rid of the socio-ethical components which existed in political economy, and created

"the sweet" mathematized myth about the optimizational search of the optimum production effect in conditions of limited production resources, aimed at satisfying the ever-growing needs of the population. With such a subject the topic may only concern the rational daily managerial and self-managerial activities of consumers, producers and the rest of the economic agents who take economic decisions. Thus there is room for the specialized knowledge about the subject of that science, which performs not only cognitive, but also official role. With political economy the science tells about the economic system of society, while with economics - about the technology of the economic process, about its subjectivity and factor organization. In both cases science turns out to be limited, as it partially does correspond to its subject and to a considerable degree does not correspond to it; it is at the same time close enough and distant enough from the subject, so to some extent it is both realistic and at the same time - mythical.

Fifth. In every bit of knowledge there is both something realistic and something mythical, but it appears as knowledge, and like religion and philosophy it is more mythical in comparison with science, while the latter is sort of more realistic in comparison with religion and philosophy. It is just that behind the seeming realism of science there may be found a great deal of mythicalness, while behind the seeming mythicalness of religion and philosophy - a great deal of realism. Knowledge, which is scientific, unavoidably gets self-restrained. It gives birth to too many myths and contradicts itself since in principle it denies mythology. Breaking away from religion and philosophy and regarding itself as the only true knowledge, scientific knowledge gives birth solely to negative myths, behind which its delusions are hidden. Scientific knowledge is necessary, but it should not be absolutized. It should not be cultivated at the expense of other knowledge (the philosophical and the religious), that is no less true, and in certain spheres of knowledge - even truer. The deeper we get into the world and the closer we get to the absolute, the weaker science is and the stronger philosophy and religion are. That is why in the complex cognitive process we need an organic combination of all types of knowledge.

Sixth. Scientific economy (i.e. the most modern theoretical economy) is self-restrained, because: a) its knowledge is divided, since with the strictly scientist approach there can be no unified theoretical economy, rather, it is a sum of various theories. b) it is knowledge which gives its preference to the surface of economic phenomena and superficial interrelations and which artificially isolates itself from the non-superficial sphere of economic being; the targeting of the economic structure in scientific economy is superficial and hence - it is flat, fragmentary, conditional, restricted, virtual, not very realistic and too negatively mythical; to a great extent scientific economy is virtual economic theory (virtual economics); c) there is a contradiction between definiteness of the knowledge and the subject of scientific economy: its knowledge contains too much technology, while its subject (the economy) is not technological, it is social, humanitarian and transcendental; d) its knowledge is rather mathematized - not in the individual sections, where

mathematics really dominates, but in general, where it is not required at all (whence the presence of mathematized axiomatization, which serves not the particular problems, but the very general knowledge of the discipline, presented as the result of mathematical postulation, which is different from actual postulation). What becomes obvious is the breaking of the modern scientific economy (economics) away from reality, which is actually the greatest proof of its self-restraintness.

Seventh. The classical political economy (A. Smith, D. Ricardo, K. Marx) also turns out to be self-restrained to a certain extent, but unlike modern scientific economy its break away from reality is not so evident. That is so, because the classical political economy did not try to replace the real economy with virtual reality, as economics does in its global mathematized interpretation. Contemporary economics carries out consistently the global mathematical interpretation of the subject to such a degree that the economic essence disappears from the one modelled by its subject and economics is ultimately presented as technologic. Thus it is the highest level of the scientist approach towards economic reality. The classical political economy seeks to explain the economic world in a scientific manner, as well as give recommendations concerning its change and improvement but still admitting creativity on part of the people (the *socium*), and not the construction of an entirely new reality for the *socium* as economics does. Hence - there is something very true in political economy, all the more that it hasn't entirely broken away from philosophy and religion, that is, it was capable of a more realistic attitude towards reality, than the contemporary "scienced" knowledge (knowledge, acquired and possessed by science). The bacillus of scientism, however, has managed to overcome political economy as well, so that the latter, already breaking away from idealism and coming across materialism (which stands a lot closer to science), is trying to give a strict (and narrow) materialistic explanation of the world and provide adequate recommendations for its (the world's) perfection.

Eighth. The classical political economy contains (according to prof. Ossipov) certain contradictions, which it has itself created and has not been able to solve. Here are some of them.

A. The first contradiction is the one between the theory of value and the theory of labour. Labour is one of the most important economic phenomena and one of the most important factors of production. Political economy, however, assigns to it a greater importance than it actually has, by declaring it not only a participant in the production of value and goods, but also a source, and the only source of *value*, as well as *value substance*. That has been done for the benefit of science, that is, for the benefit of the materialistic explanation of value, which, generally speaking, is not a material phenomenon, but an ideal one. That is the greatest misbelief of the classical political economy, which leads to many other misbeliefs and errors. Actually, with the help of the labour theory of value there could not be explained satisfactorily neither the value phenomena of the economy, nor the economic process itself, the nature of economy, or its historical

development. Thanks to the labour theory of value the economy has been given a predominantly naturalistic, even predominantly technological, characteristic. As a whole the role of labour in general and the role of hired labour in particular is exaggerated, and on that basis - the role of hired workers (the proletariat). At the same time the role of the value, its transcendentality, its evaluational and regulatory functions in the economic processes are underestimated.

B. The second contradiction is between the theory of capital and the theory of labour. It stems out of the contradiction between the theory of value and that of labour. Political economy correctly treats capital as a self-increasing value, and also rightly acknowledges the role of labour as a factor, which bears a relation to the production of value and capital. But by absolutizing the role of labour in the production of value, political economy comes to the conclusion that capital is not just something over which labour has a productive impact, but something which is immediately materialized labour, and, what is more, it is first, materialized labour of hired workers and, second, unpaid labour (that is labour, appropriated by the employer). Capital turns out to be labour appropriated and accumulated by the owners, although it is not the labour of the hired workers as such, that is appropriated, but the results of it, that is, appropriated are the manufactured with the help of that labour goods, into which the manufactured value has materialized.

Actually the value produces value (that is capital as a self-increasing value) with the help of labour (including of course, the hired worker's labour), but not only with the labour of the hired worker and it is not only the latter that produces value, in which it solely materializes. In this way political economy assigns to labour a crucial importance as far as capital is concerned, and places capital in complete conceptual and essential (as well as speculative) dependence on hired labour, thus substantiating labour's pretense not only for a dialogue on its price (which is understandable to workers without the help of political economy, anyway), but also for overthrowing capital by way of the revolt of hired labour against capital, which sort of appropriates part of the labour that it is not entitled to appropriate. After such overthrowing of capital by labour, the former hired workers establish such economic order, that not only capital, but also value, disappear (according to the classical political economy). Labour, naturally, is here to stay, but its results already belong to the workers. We already know what all this has led to - a centralized economy (socialism), which not only deprived workers of the results of their labour, but also took the possibility to freely manage the economy away from them.

C. The third contradiction is that between the theory of economic development (put forward by the classical political economy) and the actual historical development of mankind. It turns out that neither the apologetics of capital, nor the apologetics of labour can give us a real idea of the historical development of mankind in the economic area, as well as of its economic future. In fact neither capitalism wants to get off the historical scene, nor socialism actually replaces capitalism. Analyses show that there will come the era of *post-economy*,

which may be called technoconomy. It will overcome the economy, by replacing the objectively-sporadic process of social self-organization of economic property with a process of technical organization of economic life, in which there will be some elements of self-organization (the latter already being technical rather than social).

Ninth. Scientific economy needs to overcome its self-restraintness, eliminating the external (in respect to the surrounding reality), as well as the inner (conceptual) contradictions. This can happen only if it overcomes the break away from the other knowledge - the non-economic as well as the non-scientific. It needs to review its subject, which is now quite narrow, conditional and specialized. Scientific economy needs to adopt non-economic learning in addition to economic learning, as well as return to its own philosophical knowledge and, to a certain extent, to religion. No matter how difficult it is, it must accept in itself the ideal, transcendental, side knowledge. It's not about dissolving science in philosophy, rather it's about the revival of the philosophical approach towards the solution of the problems of scientific economy. Philosophy is usually viewed as an abstract and practically untrustworthy knowledge. However, in reality, scientific economy should be based on a certain view of life that is connected with philosophical knowledge. This will allow the highly-educated person to find what is valuable to him/her, to become a philosophical (but not philosophizing) person. Scientific economy should not be done away with, rather it should become the philosophy of the economy, which would be a positive renewal.

Towards the search of a new paradigm of theoretical economy

Despite the fact that eventually prof. Y. M. Ossipov arrived at the conclusion the eschatology of scientific economy, he also raised the question of searching on a new paradigm of theoretical economy (he is of the opinion that scientific economy is the contemporary form of theoretical economy). In that attempt there are some rather interesting points:

First. The classical political economy - that is the theoretical economy connected with the classical philosophy. The former, and therefore also the classical economic paradigm, is based on the classical philosophical paradigm, which comes from the transcendental treatment of the global existence, from the recognition of the existence of part of the world which man is unable to perceive directly, as well as the recognition of the existence of the substantial aspect of the universe behind its phenomenal aspect. According to the paradigm of classical philosophy the task of the cognition of the world comes down not to ascertain the phenomenal world, but enter the substantial world. That is why the theoretical economy connected with it, that is the political economy (the classical political economy respectively), recognizes that ontological and epistemological formulation and dedicates itself not only to establishing *economic phenomena*. That is why theoretical economy has remained classical theoretical and political economy for a long time.

With the subsequent break of theoretical economy away from philosophy there is a parallel breakaway from its essential-phenomenal, transcendental paradigm, that is, the economic paradigm stops being *transcendental*. Because of that the general *dephilosophization of the theoretical economy* is accompanied by its declassification, through its turning from classical into non-classical economy, already almost unrelated to and even entirely unrelated to philosophy, that is, accompanied by its turning into Economics.

The classical theoretical and political economy has based its conceptual structures on the fundamental concept of *value*, which is something essential in respect to the phenomenal economic world. The availability of the notion of value is a true sign of the classicalness of every theoretical economic conception. The absence of the notion of value, on the other hand, is an indication of its non-classicalness, its phenomenalist character. The classical economic theories differ from each other in their different treatment of the concept of value, while the non-classical - in emphasizing on a particular element of phenomenal relations.

Second. Non-classical knowledge is typical of contemporary economics, since the latter does not aim at penetrating the essential economic world, but is contented with the phenomenal - first and foremost with its quantitative reflection. It may be said that modern economics is a mathematical version of economy, intended to solve technological operational tasks. The passion of economics for the phenomena and their quantitative existence leads to an entirely relative reflection of economic reality, rather than to its ontological representation in the entirety of its phenomenal and natural existence. Economics approaches economy as a mechanistic mechanism, something which economy is not at all, especially in the light of its classical-philosophical interpretation. Economics makes *economic ontology* lose its richness, by proposing rather simple and mechanical models. The loss of essence is turning into a loss in the quality interpretation of the very economic phenomena, about which it cannot say anything meaningful anymore but offer their provisional symbolic denotation. The transformation of economic phenomena into provisional points, motion trajectories and mechanical interactions, as well as the operation with signs and formulas, leads to the elimination of *economic content*. With economics we have only the description and display of the subject of economy, but not its exposure, characterization, explanation and achievement.

"In its most consistent realization economics proves to be not so much of an objective, but rather a subjective, even a subjective-idealistic knowledge. This is a rather egoanthropocentric knowledge, placing the person, who uses it, not in the position of an observer, authority and collaborator of economic life, but rather in the position of its direct creator - by way of figures, formulas, abstract models, technical estimates. Economics - it is an *economic engineering*, serving and multiplying an artificial (technicized, sciencized, projectional) economic and social world ... The triumph of non-classicists, however, is not at all convincing, since the need for a classics rendering of the economy has not disappeared. What is more,

the exultation of non-classics, clearly showing their narrow-mindedness, pointed to the sharp need for revival of the classical authors, for the classical in spirit and methodology research done precisely today. The moment of the new return to the philosophy of economic life has come."⁴

Third. The need for classical economic knowledge is growing. Its simple reproduction, however, will yield nothing new. It is necessary to search for new solutions within the framework of the classical approach. It is mainly about a new interpretation of value, which would help classicism out of its difficulties in this area. These difficulties are first and foremost ideological and methodological. They are reduced mainly to the scientific interpretation of value or to the fact that *value transcendentality* is hardly taken into consideration (it is admitted by philosophy and not admitted by science). In the end of the XXth century science as such (with the exception of political economy) also talked about the transcendentality of the world. In the period of the rise and triumph of political economy no one could even mention transcendentality. The problems of the content and the quantitative exactness of value were solved through an analytical and naturalistic approach towards economic reality. Political economy sought only the material substance of value, the value interactions among economic elements, their special value property, the anthropological determination of value. Without parting entirely with philosophy, but getting more and more distant from it, the economy aimed to find a properly scientific answer to the fundamental question of theoretical economy - the question of value. Political economy actually strove to get a physical, rather than a metaphysical answer, that is, towards an answer which is in its nature non-philosophical.

"Value is not an emanation (an emission, a product) of the social economic system in its integrity, based on the public division of property and the exchange of goods, labour and management. Value is not outside the system (which it would be useful for us to call economic as different from the natural one). Value does not precede that system..., it is manifested in it and in its elements, without having a substantial existence of its own. The existence of value is materialized existence, embodied in something, which it does not directly represent. The value is manifesting itself, it is identifiable in value phenomena and through them, it is found, but in itself, in its own nature, never revealed. In it there is not even its own, directly representative manifestation, rather it is manifesting itself in the world of non-value manifestations (the price, which is the amount of wealth-equivalent, is not value itself, but its manifestation; the money, which is the wealth-equivalent, is not the value itself, but rather its manifestation). Its being the embodiment and representation of value does not mean it is the very value or its own phenomenon. Value is found in everything, but it is not there by itself; it is [made - author's note - K.M.] from everything but not from itself; it can be the subject of conversation, but it cannot be seen; it functions, but not by itself. Value is transcendental (and at the

⁴ Ossiřov, Y. M. Towards the Search for a New Paradigm. - In: Economic Theory..., Vol. 2, p. 7.

same time, let us note, it is not mystic). The desire to find value itself, was stalled on the impossibility to make such a definition. Neither the labour concept of value, nor any other concept have or could have solved that problem. Value was remained a mystery, as it has always been and should be. But while for the transcendental interpretation there is no mystery in the mystery of value, since that interpretation is based precisely on the recognition of the mystery of value and the immanence of the value phenomenon, the scientific interpretation, the mystery of value has remained and remains fully unsolved."⁵

On the Eschatology of Economic Civilization and Scientific Economy

In his further reasoning prof. Ossipov arrives at the conclusion that we are faced with an objective process of eschatology of economic civilization and scientific economy. Eschatology is understood as the completion (fading away) of a certain phenomenon, however, without its disappearance for good or entirely (that is, it is possible to have or not to have a complete death of the phenomenon). At any rate, with that phenomenon there is a deep essential transformation, accompanied by its qualitative weakening in its present nature. That allows us to talk of the phenomenon as stepping down from the principal historic stage.

By eschatology of the economic civilization prof. Ossipov means "not the complete disappearance of the economy and economic principles, but a sufficiently noticeable retreat of the economic civilization before others - already non-economic methods of organization of economic life, still the kind of retreat, which is more transformational than anything else". The central position in the basis of that process belongs to the ecological disparity between economic civilization and its environment. There is a deep conflict between economy and ecology (ecological life). The nature of that disparity (and even conflict) is not only in the fact that the economy has caused the ecological problem (that is, the threat of a complete ecological disaster), but also in the fact that economic civilization is unable to solve that problem. In other words, the functional conflict proves to be a notional conflict as well, consequently economy is in principle incompatible with ecology. Economy does not provide mankind with the chance to solve the ecological problem, since the production of value for its own sake (the self-increasing of the value) can not (because of its inner definiteness) comply with the needs of nature. On the contrary, such production in its nature, goals and results is fundamentally antinatural.

In connection with that prof. Y. M. Ossipov wrote the following: "Economic civilization absorbs any kind of external environment, actually processing it, as well as seemingly most of the natural environment, thus creating a non-natural, artificial environment everywhere, which is at the same time comparable in scale and even in complexity with the natural environment. The economy displaces nature, replacing it with non-nature. At the same natural life is also displaced. Thus by

⁵ Ossipov, Y.M. Towards the Search for a New Paradigm..., p. 8-9.

pretending to be satisfying the so-called growing needs of the people, but in fact satisfying its own, that is, those of the economic civilization, growing needs, it replaces natural life with non-natural, and respectively life itself is replaced with non-life, preparing it for a complete death. And we would not hope that economic civilization is capable of solving the global ecological problem simply by routing the necessary investment towards ecology. How can this happen, if investments are to bring profit to the economy, if their realization is connected with new non-natural achievements, if the very logic of economic management is miles away from that of ecological management ? Everything here is upside down - ecological management cannot be economic, it has to be non-economic. Ecology denies economy, thus arousing the most powerful eschatological motive in the historical existence of economic civilization."⁶

Prof. Ossipov's further arguments concerning economic eschatology (that is, concerning the eschatology of economic civilization and scientific economy) come down to the following:

First. The global character of ecological issues consists not only in the planetary dimensions of economic civilization and its antinatural integrity, but also in the damage it inflicts to the entire living space in all its qualitative dimensions. Economy opposes not only nature as such, it also opposes Man, the socium, the ethnic group, the culture, the mentality, the spirit and everything that we do not normally associate with nature. Economic civilization is not just economy, an economic method of management and economic accounts. It is also the whole world, in which there is also a lot of non-economic, which, however, in its turn was created by the economic civilization anyhow, it is subordinate to it and serves it. Consuming the non-economic environment, economic civilization creates its own proeconomic environment, in which it can exist. Economic civilization - this is also the economized world, which is coordinated with it and supports it.

Second. Life is not just about economy, therefore the economization of the environment is not and cannot be complete. That is why complete economization means complete disaster. The latter has not occurred yet and that is why in our life there is a lot of non-economic left, which is economized, but not fully, and is still capable of opposing the economic, to contradict it and to resist it. That resistance is evidence that still there is life, but it is also a signal of the pending catastrophe. If the circumstances are favourable it is a guarantee of the salvation of mankind possibly even after the catastrophe.

Third. Economization has done its deed, turning the whole inhabitable world into an economic world. "However, it also gave rise to the threat of turning this world into non-natural and non-human, that is, consisting of non-nature and inhabited by non-humans, as well as of turning the modern world into nothing. The economization of the world has turned into a problem of its eschatology. And that is the problem of the eschatology of the economy, but already in a contradictory

⁶ Ossipov Y. M. Economic Civilization and Scientific Economy..., p. 30-31.

state: on the one hand, as a negative eschatology of the economy, connected with the destruction of the world and, on the other, as a positive eschatology (of the economy, author's note - K.M.), contingent on the salvation of the world through its liberation from economic coercion. But in any case the topic of the day is the eschatology of the economy.⁷

Fourth. The external conflict between economic civilization and the external environment is obvious enough. What is not so obvious, however, is the internal conflict in economic civilization itself, which comes down to the conflict between its own (innate) economic organization of economic life and the organization, which proves to have been bred by the economy and is necessary for it, but which at a certain point in time became opposing to the economic organization, in a life and death struggle. That new organization of economic life, created by its own economic organization, is the Techno-info-management organization (TIM - organization). It may turn out that the economic organization (the mother organization) of economic life is already not that necessary and that it may be completely replaced by the TIM-organization (the daughter organization), which was created and fully developed by the economic organization itself and which it has been so proud of.

The economic organization is a value (market) organization, which does not simply include in itself value, is not just based on it, but is also realized in a value method (through the market), that is, it is a realization of the value. The latter is social, objective and transcendental, so economic organization is an organization, which is fundamentally realized by itself, through the entire society in a sort of a mysterious way. The economic organization performs through society in an invisible way; it is indeed a self-organization, functioning in a social way in the social environment and evolving from society. No matter how much we talk about the subjective preferences of economic agents, *first*, the economic organization comes by itself (that is, independently) and is perceived by every economic agent as something, coming from aside (as an external force) in the economic space and, *second*, all subjective acts of the economic agent are acts with respect to an external world in relation to him, which is organized and organizes itself without his participation, although accepting his (the agent's) participation. So the economic agent is dealing with an actual social, objective and *transcendental economic organization*. The attempts to replace the latter by another (a deliberately built, centralized organization), as it was under socialism, have failed. That is why the economic organization is still absolutely necessary. However, it gave birth to the TIM-organization, needing it and interacting with it and is already unthinkable without it. There arises the question, however, of to what extent the TIM organization needs the economic organization.

Indeed the TIM organization is still subordinate to (it is even a component of) the economic organization, but we can assume that it (*the non-market*

⁷ Ossipov, Y. M. Economic Civilization and Scientific Economy..., p. 32.

organization) can develop so fast and to such an extent that it would be capable of replacing the latter (*the market organization*), that is, to calculate, distribute and direct value, but without the value itself, not in a value method. This is a situation, in which the TIM organization already does not need the economic organization at all. If the economy can not do without the TIM organization, that doesn't mean the latter is absolutely unable to do without the economic organization. While on the one hand the relation of the economic organization to the TIM organization is genetically and functionally perfectly justifiable, the relation of the TIM organization to the economic organization, on the other, is already not so unquestionable. The TIM organization, by reaching a certain degree of development, that is, by increasingly replacing the economic subjects and economic society with itself or, which is in effect the same, by replacing the market, becomes capable of making decisions entirely instead of the economy, that is, instead of society, instead of objectivity and instead of transcendence, by turning the subjects and society into elements of the global TIM organization. The evidence of turning that possibility into reality is the rapidly developing techno-informational civilization, which may completely reshape the world.

Fifth. The market has not yet been replaced by a TIM organization, however, there is already no market that is free from it. The TIM organization has begun to displace the economic one. But although the economy already uses the TIM organization, in its main aspects the former does not come down to the latter. However, there will soon be a moment, when the economy, having finished its historic existence, that is, having lost such principles as socialness, objectivity and transcendentality, already ceases being a self-organization. The TIM organization stepping into its place, does not possess the qualities of socialness, objectivity and transcendentality. It is just an organization, although it has its own internal techno-self-organization moment, in the share of Information Technology. There will be a moment, when no economic agent will be able to operate outside the TIM organization. In this way he "voluntarily" joins its membership, and already obeys not a value organization, but rather a technical organization of the economy. Although money, prices, capital and the other market elements are still present, they are no longer proper economic phenomena - their nature is different - techno-informational. Value (respectively the economic account) will give way to the technical account. *Technomy* will reign over economic property. The new Information Technology will start monitoring not only the activities of every person, but also that of the global economy. The total desacralization of life and culture, and, generally speaking, the advancing spiritual poverty, contribute to the dehumanization and desocialization of Man and turn him and society into something techno-like. The eschatology of the economy is under way - it is turning into a posteconomy.

Sixth. As a result of the eschatology of the economy there is the issue of the *eschatology of the scientific economy*. That is understandable, but not that simple. The economy is not simply reflected in scientific economy, it justified it and in a

sense also created it. The scientific economy is an apology of the economy - everybody realizes that. What is not so fully realized by people is something else - scientific economy, by becoming (in response to the requirements of real-life economic practice) a more and more quantitative and calculating, mechanistic, mathematical and techno-informational science, that is, by becoming a science which is less and less economic, it (in fact) makes considerable efforts to realize the eschatological tendency in the economy. Having agreed to its own eschatology, economic science is already working for the eschatology of the economy itself. The economic science of today can not do anything else, but accelerate the general eschatology of scientific economy and economic civilization. We should not forget, however, that scientific economy is an element of economic civilization, so to eschatologize both of them is not absolutely necessary. Being an economic accompaniment of economic civilization and thus being unwillingly a weapon in the eschatologization of economic civilization, scientific economy unwittingly starts to acknowledge its own eschatology as well. Some evidence of that is the fact that it can not provide an answer to the fundamental challenges of time - economic, humanitarian, moral, spiritual, etc. The current "pure economy" may be able to calculate well, but it is far away from any serious ideological reasoning. Scientific economy works against itself. Having given up philosophy and becoming a technological science, it has weakened its immunity and become a very narrow and one-sided knowledge, deprived of polysemanticism and multivariance.

Seventh. Economic civilization lives in a drama, that has not yet turned into a tragedy. This is rather a collision, which may at a point in time become a tragedy. Ominous signs of the approaching disaster are present. Therefore, there are still two possible outcomes of the drama - positive and negative. The first opens a new stage of life, but life that is fully transformed, whereas the second leads to death. The economic (scientific, technological) person is free from any limitations except the material ones, which he now certainly overcomes. Such a creative person makes his own world, finding his way around only through his own needs, which he himself creates not in a moment of sincerity, but simply by inventing them. The human mind is directed exclusively towards the creation of its own needs, which have long ago passed the boundary of the natural, turning into non-natural (artificial), and in many respects - into unnatural needs. The creative person makes his own non-natural and unnatural world and nobody can stop him in his ambition. Because of this he may be stopped only by the product of his work - the artificial world created by him. This artificial world "will either reach the borders of expansion and development, of its qualitative perfection that is, or become unrealizable for the original world surrounding it, pending in its entire artificial bulk over the abyss of non-existence, or it will make life entirely unhuman, and because of that practically impossible, or else it will simply exhaust the possibilities of animated existence. In any case, such a world will certainly meet its obstacle in the shape of itself, that is, before

nature, or will perish with a big or even very big bang⁸. So there are two options - a life-saving one, that is, an apocathastic catastrophe of the economic civilization, or a destructive one, that is, an apocalyptic catastrophe of the economic civilization.

Critical Notes on Prof. Y. M. Ossipov's Theory

There is no doubt that the theoretical formulations of prof. Y. M. Ossipov are original (even unique), very interesting and productive. Economic science can develop only if unconventional ideas are put forward, which, depending on the degree of validity and provability will be either confirmed, or denied, but should never be slandered. That is so because each attempt to broaden the knowledge of the economic world, even when we do not accept the proposed formulations, deserves admiration, so much more that the process of denying ideas becomes a stimulus for the precision of already proven assertions, for the development of new approaches, for the acquisition of new knowledge. I accept as true certain part of Ossipov's ideas, especially as far as a number of essential features of economic civilization are concerned, the possibility for its eschatology, the need to make positive changes in economic science, by which it would be based to a greater degree on philosophical knowledge, the essential interpretations of the value phenomenon, essentially treated by him as a system-forming factor.

However, I think that in their main part Ossipov's formulations, particularly those concerning economic science, are inapplicable, since they either do not correspond to the actual state of affairs, or are the product of the misunderstanding of its development and its methodology, or else are the result of unfounded narrowing of its cognitive capabilities. A major drawback of Ossipov's theory is the fact that he treats the development of economic science as a transition (although actually objective) from one state to another, without understanding (or at least without showing that he understands) that its development is a transition from one state to another that is getting more complicated (and generalizing), during which the following state is a more general economic theory, in respect to which the preceding state is just an isolated case, even when the newer (but also more general) theory denies some of the postulates of the older one (but also more specific theory) that have failed the test of time. The new economic theory is a generalization of the old one, but is not, not even gradual, breaking away from it and the result of the turning of the old theory into a new one, it is not even an ordinary synthesis of the old theory and new theoretical principles. That is why in fact the classical economic theory is just a variant of the modern (non-classical) one, which, of course, shows that the modern (non-classical) economic theory cannot be reduced to the classical theory only. The non-classical is a generalization of the classical economic theory. Therefore the desire to move from classicism to just

⁸ *Ossipov, Y. M. Economic Civilization and Scientific Economy...*, p. 38.

neoclassicism (classicism modernized with the new realities) is an expression of nostalgia, rather than a realistic forecast on the future development of economic science. Below we present briefly our critical notes concerning individual sides, aspects and principles of Ossipov's theory.

On the Essentialist and Phenomenalist Theoretical Economy

Y.M. Ossipov is only *partially right* in saying that political economy (he has in mind the classical political economy) is a science of the essence of the economy (that is, an essentialist economic science, a more precise, but less euphonic - essentialist, and respectively is an essentialist theoretical economy), while the modern theoretical economy - the economics (the scientific economy, according to his terminology), is a science of economic phenomena, phenomenalist economic science, respectively a phenomenalist theoretical economy. The more precise qualification (the more precise definition) is that political economy is a predominantly essentialist economic science, respectively essentialist theoretical economy, whereas economics is a predominantly phenomenalist economic science, respectively phenomenalist theoretical economy, that is, predominantly phenomenalist theoretical economy.

Prof. Ossipov ignores the difference between the method of examination and the method of presentation. Each science has the task to penetrate from the phenomenon (which directly exists and may be directly covered) into the nature (which exists indirectly - through the phenomenon, and may be encompassed and discovered through the methods of that science). If the phenomenon and its nature overlapped (coincided), then there would be no need for science (that need arises from the objectively existing complexity of dependencies between the directly existing phenomenon and the indirectly existing nature). *For a start* science begins its study with an analysis of the phenomena. This also applies fully to political economy. It has observed and studied millions of facts and dependencies from economic life (that is millions of economic phenomena), after which, on the basis of scientific analysis of those, it draws conclusions on the characteristics and regularities of their nature, in other words *there is a transition from the economic phenomenon to the economic essence*. The next stage is movement in the opposite direction - that is a subsequent check and verification of the discovered regularities of the economic essence in the functioning of economic phenomena, that is, there is *movement from the first towards the second*.

Actually the development of political economy (and that of economic science in general) is a continuous process of permanent alternation of those two stages. It is true that when exposing (presenting) its subject and the results of its studies political economy focuses mainly on the nature of economic phenomena and not as much on the phenomena themselves. It is also true that in respect to its epistemological sources and their use, it stands (in comparison

with economics) closer to philosophy (that is why it looks less pragmatic), which makes it richer as a theoretical science. In that sense (in terms of the method of presentation it uses and its being closer to philosophy) political economy presents itself as a predominantly essentialistic economic science, while economics presents itself as predominantly phenomenalist. The latter, too, passes through the abovementioned two stages of scientific examination - in the direction from the economic phenomenon to the economic essence and vice versa. Otherwise it wouldn't be science at all. But unlike political economy economics exposes (presents) its studies mainly in the area of economic phenomena and less so - in the area of economic essence (by which it is trying to satisfy more fully the needs of modern economic practices and therefore looks more pragmatic), and in addition stands farther away from the epistemologic sources of economic theory (of philosophy). In that sense (in terms of the method of presentation and its being more distant from philosophy) economics once again presents itself as a predominantly phenomenalist economic science, and political economy - as predominantly essentialistic.

However, there is another circumstance, which makes Ossipov's assertion unconvincing, namely, that political economy is an essentialistic (only essentialistic) science, while economics - phenomenalist (only phenomenalist). It is contained in the objective principle that dependencies between the economic phenomenon and the economic essence are multi-stratified and that is why the essentialistic identification and the phenomenalist identification of economic dependencies are relative. Scientific analysis shows that an essentialistic economic dependence may manifest itself through another economic dependence in the capacity of an economic phenomenon, but the latter on its behalf (in its capacity of an essentialistic economic dependence already) is manifesting itself through a third economic dependence (which is an economic phenomenon). So a given economic dependence may be an economic phenomenon in relation to another economic dependence, but at the same time be an economic essence in relation to another economic dependence. If we adopt Ossipov's position, we can not answer the question whether the study of a given economic dependence is the subject of a phenomenalist economic science (phenomenalist theoretical economy) or of an essentialistic economic science (essentialistic theoretical economy).

After all, the economic phenomenon and the economic essence are the two sides of the unified economic object (respectively of the unified subject of its study), which are inseparably interrelated. No theoretical economy (neither the political economy, nor economics) can achieve its goals, if it doesn't take into consideration that unity and does not study it in its integrity. Because of that theoretical economy in its completeness should be an entirely essentialistic and phenomenalist science, that is, essentialistic and phenomenalist theoretical economy. Any division of the subject of theoretical economy into essentialistic

and phenomenality is relative and gives comparative advantage (but not absolute, which would be vicious) to one side or the other can only be a function of the historical circumstances in which economic science (respectively the theoretical economy) is developing, of the immediate tasks (cognitive and practical), it is faced with, and the objective and subjective research capabilities of the scientists in the area of economics. The right way of development of economic science today is the synthesis of economics and political economy under the name of theoretical economy, which we simply call economy for short. The fact that Ossipov's attempt to make such a synthesis was unsuccessful in his own words, is no proof of its being impossible and unnecessary.

On the Mathematical Image of the Economy

The accusation which prof. Ossipov throws against economics, that it is a mathematized version of the economy (and that is why it is also technologic), is groundless. When a mathematical image of a given reality (incl. economic reality) is its true (although subjective) reflection, that image, no matter how complicated and sometimes even incomprehensible for the layman in that area, is a necessary product of its scientific examination. It is the result of the quantitative-qualitative study of the unified essentialitic-phenomenal economic object with the specific means of mathematics, the need for which stems from the specific character of certain aspects of the characteristics of that object. The theory of prof. Ossipov makes it clear, that he sees the need for mathematics in the study of predominantly specific economic issues (but not the general ones), as well as the predominantly economic phenomena (but not the economic essence). That is why he views the increased mathematization of the subject of economic science as an aspect of its restraintness, since in this way it was studying only the specific (that is, it is almost turning into just a specific economic science) and only the phenomena (that is, it is almost turning into just a phenomenal economic science). That, in his opinion, was a piece of evidence of the breakaway of economics from reality. The reason for such a false assertion is the restrictedness of the basic premises of Ossipov's theory: he mixes up (and almost identifies one with the other) the general-specific correlation in the economic object with the correlation between its qualitative and quantitative aspect, as well as the correlation between the economic essence and the economic phenomenon again with the correlation between the qualitative and the quantitative aspect of the object; on the whole he sees predominantly the economic quality in the economic general and the economic essence, and disregards the economic quantity contained in them.

Let us first suppose that the mathematical method is called upon to serve the study of the quantitative dependencies in the economy, generally speaking - the quantitative characteristics of the economic object. But quantity is dialectically bound with quality. There can be no quality without quantity, nor

can there be quantity without quality. This shows that quantitative characteristics are present not only in the specific, but also in the general, not only in the phenomena, but also in the essence, that is, we can speak about a qualitative and quantitative aspect of both the general and the specific, of both the essence and the phenomenon. What is more, the complex is not only qualitatively complex, but also quantitatively complex. Here it is not necessary to give proof, that the economic general is much more complex than the economic specific, and the economic essence - much more complex than the economic phenomenon. Consequently, mathematics as a means of studying quantitative dependencies and quantitative characteristics in general, is much more needed for the study of the economic general than the study of the economic specific, as well as the study of the economic essence rather than the study of economic phenomena.

A further detailed analysis will show that mathematics is a means (method) of studying not only of the quantitative, but also of the qualitative aspect of the economic object. The highest form of existence of the quality of an economic object (respectively of an economic system) is its structure. The structure of the object is its qualitative characteristics. But as we already know, it is described by the multitude of functional dependencies between the elements of the economic object (of the economic system). And since the economic general is qualitatively much more complex than the economic specific, and the economic essence is much more complex than the economic phenomenon, therefore again mathematics is much more needed for the study the economic general than the economic specific, and is much more needed for the exploration of the economic essence than the study of the economic phenomenon.

Of course mathematics should be taken as just one of the many methods of scientific study of the economic object (not only of its essentialist but also of its phenomenalist aspect), which needs to interact with the rest. It cannot be given some kind of special priority (and primacy) before the other methods except in the instances when the specificity of the goals of the particular study requires it. However, what follows unconditionally from the above is that the mathematical study of the economic general has a priority over that of the economic specific and the mathematical study of the economic essence has a priority over that of the economic phenomenon. In the light of that conclusion, Ossipov's formulations concerning the mathematical interpretation of the economic subject in modern theoretical economy (respectively in economics) are totally unacceptable.

On Economic Transcendentality

Equally unacceptable is Ossipov's formulation about the existence of two non-coinciding, even almost independent parts of economic knowledge: *a/ scientific economic cognition*, which he treats as both non-philosophical and non-transcendental, and *b/ philosophical economic cognition*, which he treats

as both non-scientific and transcendental (Here we disregard his views on the role of religious knowledge in theoretical economy and especially in political economy).

I will take the liberty to denote that formulation of his as epistemological economic dichotomy, which is established between the scientific (non-philosophical) and the philosophical (non-scientific) economic knowledge, respectively between the non-transcendental and transcendental economic knowledge. I would not undertake to prove that philosophy is actually a science and that philosophical cognition is not non-scientific and therefore it (and in particular the philosophical economic cognition) is scientific cognition (scientific economic cognition in particular), although not every scientific cognition (not every scientific economic cognition in particular) is philosophical (philosophical economic cognition in particular) cognition (since it is a submultitude of scientific cognition, respectively the philosophical economic cognition is a submultitude of the scientific economic cognition as a whole).

What is more important is to pay attention to the issue of transcendental in the economy, which we denoted as *economic transcendental* at the beginning. It bears a direct relevance on the dependence between the economic essence and the economic phenomenon, respectively between the essentialistic and the phenomenalistic in the economy. Generally speaking, *transcendental* is stepping over, passing beyond the border of the familiar (in the more general sense - existence outside the borderline of the familiar). Transcendental is the presence of *transcendental cognition*, of cognition beyond experience, that is, of *a priori cognition*. That is why economic transcendental means the presence of *transcendental economic cognition*, of economic cognition beyond economic experience, hence transcendental economic cognition is a priori economic cognition.

The issue of transcendental (in certain conditions - of transcendence) was first raised and developed in the philosophy of Immanuel Kant. However, now we can distinguish between non-strict and strict understanding of transcendental, that is, speak about the presence of non-strict and strict transcendental (which are forms of transcendental in general) and about non-strict and strict transcendental cognition (which are forms of transcendental cognition in general). Within that framework we can speak about non-strict and strict understanding of economic transcendental, that is, about the presence of non-strict and strict economic transcendental (which are forms of economic transcendental in general) and about non-strict and strict transcendental economic knowledge (which are forms of transcendental economic cognition in general) (see the figure).

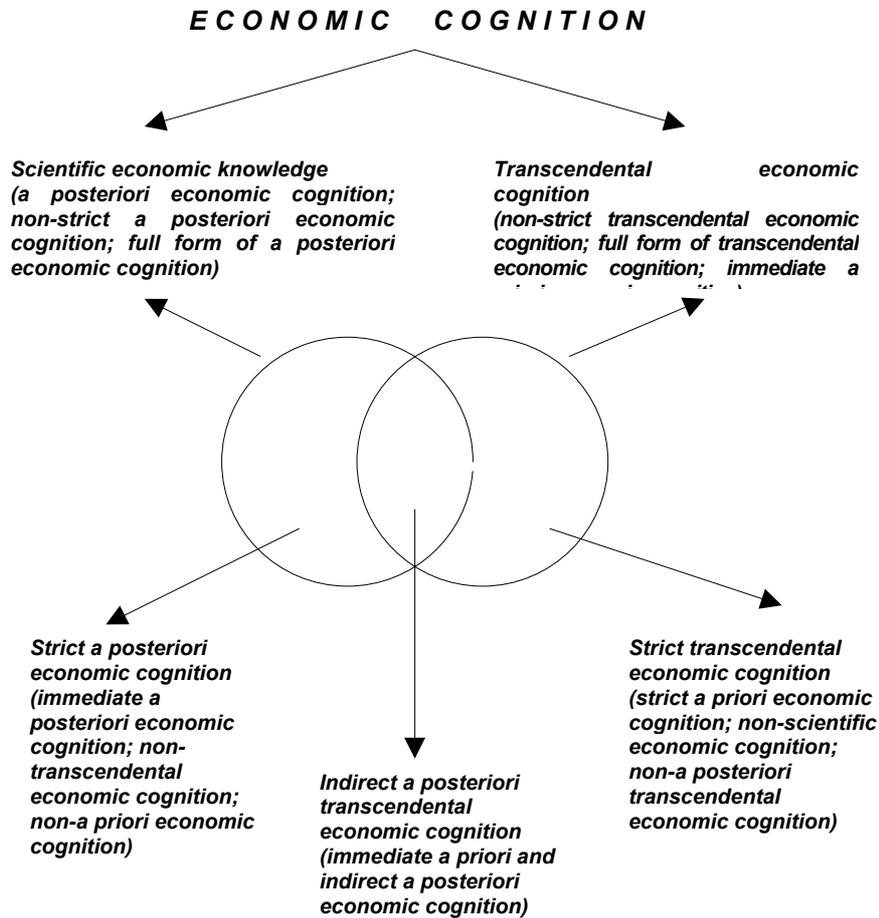


Fig. The relationships between scientific and transcendental economic knowledge

A. Non-strict economic transcendental is the presence of economic cognition, which is beyond the boundaries of sensational and sensory economic experience, of economic cognition, which is immediately unavailable to the senses. In that sense the non-strict economic transcendental is the full form of existence of economic transcendental in general, the full understanding of it as such. Non-strict economic transcendental is the presence of immediate a priori economic cognitive form, of economic cognition, which is immediately independent of economic experience, generally speaking - the presence of immediately a priori form of economic cognition, that is, of such cognition that is immediately not a *posteriori* (immediately not given to the sensational, the sensory experience).

Non-strict transcendental economic cognition (transcendental economic

cognition in general) is about the essence of the economic object - it is an essentialitic economic cognition, achieved through penetrating into the essence of the economic object hidden behind the economic phenomenon. It is also non-strict transcendental essentialitic economic cognition, transcendental essentialitic economic cognition in its full form.

However, all this does not mean that non-strict economic transcendental (which is immediate a priori economic cognition) excludes (as its own variety) the presence of the mediated by means of economic experience (the sensory and sensational experience) a posteriori economic cognition, that is, of economic cognition, which was after all contained in the experience, but was subsequently processed by economic science, but already outside the sensory and sensational experience. In other words, non-strict economic transcendental does not rule out the presence in itself of indirect a posteriori economic cognition. This shows that it (that is, the full form of economic transcendental, economic transcendental in general) consists of (is fulfilled by) two varieties.

First, this is the strict economic transcendental, which is strictly a priori, that is, non-a posteriori economic transcendental. Strict economic transcendental is the presence of economic cognition, which is generally inaccessible to economic science (respectively to economic theory) and which has generally not passed through the sensory and sensational economic experience (and after all is not a posteriori economic cognition), that is, we get the presence of *non-scientific*, respectively non-theoretical economic cognition (which is outside economic science, respectively outside economic theory), which because of that is the subject of faith or of other ways of achieving economic cognition which are beyond the scope of economic science. The essentialitic economic cognition, which is achieved within the framework of the strict economic transcendental, that is, entirely beyond experience and economic science, we will also denote as non-scientific essentialitic economic cognition, respectively non-theoretical essentialitic economic cognition.

Prof. Ossipov identifies the strict transcendental essentialitic economic cognition with the transcendental essentialitic economic cognition in general (with the non-strict transcendental essentialitic economic cognition), because of which he draws the incorrect conclusion that scientific economic cognition is only for the economic phenomena and therefore economic essence can be achieved (made familiar, revealed) only with the help of non-science and outside economic science, that is, only in a strictly transcendental way. That is why he explains economics (modern theoretical economy) as an exclusively phenomenal economic science (but not as a predominantly phenomenal economic science), which, because of its breakaway from philosophy and religion, was destined to not be able to discern the essence of the economic subject. That approach of his is close to economic agnosticism/economic non-science, to the eventual recognition of the incognizability of the economy (although according to him its essence is cognizable, but only through philosophy, which were as if non-science, as well as through religion).

Second, this is *indirectly a posteriori economic transcendental*, which may

be also called directly a priori and indirectly a posteriori economic transcendental. By the latter we mean the presence of economic cognition, which is accessible to the economic science (respectively to economic theory), which first passed through the sensory and sensational economic experience, but later on was transcendently processed beyond that experience (economic cognition, which is directly a priori, but eventually, that is, indirectly, a posteriori). In other words, we refer to the presence of a priori scientific economic cognition.

The essentialitic economic cognition which is achieved within the indirectly a posteriori economic transcendental, that is, which is scientifically achieved originally in the economic experience and after that is scientifically reprocessed outside of it, we will denote as *a priori scientific essentialitic economic cognition*.

B. The a priori scientific economic cognition is not the only variety of the scientific economic cognition in general. The latter consists of (is fulfilled by) two varieties - a strictly a posteriori economic cognition and indirect a posteriori transcendental economic cognition.

The second variety of the scientific economic cognition - the indirect a posteriori transcendental economic cognition, was already discussed.

The first variety of the scientific economic cognition is the strictly a posteriori one. It is *directly a posteriori economic cognition*, directly acquired in the sensational and sensory economic experience and which is not subject to any further transcendental reprocessing outside that experience. It is both primary and conclusive a posteriori economic cognition.

The space (area), in which economic cognition appears and is based, we will denote as the area of economic cognition. It is the union of the *area of economic science* and the *area of economic transcendental*. Those two areas are not dichotomous, rather they have a common part in which they overlap. Their common part, that is, the overlap, we will denote as the area of *scientific economic transcendental*. The rest of the area of economic science (which is outside that of the scientific economic transcendental) we will denote as the area of *scientific economic non-transcendental*.

C. *The main shortcoming of Ossipov's theory is that he views the area of economic science and the area of economic transcendental as independent of each other (that is, the area of economic knowledge is a dichotomy of those two areas). He doesn't see that they are overlapping, that there are certain interdependences in scientific research through which scientific phenomenistic economic knowledge turns into scientific essentialitic economic cognition.*

On Value and Utility

Ossipov is absolutely right in claiming that value is an essentialitic and transcendental economic phenomenon and it is necessary to develop a more comprehensive theory about it. He puts forward some interesting arguments concerning its nature and dependencies with other economic categories, which deserves great attention. We cannot agree to the assertion that because value is an essentialitic and transcendental phenomenon, it is incognizable using the

means of science, but rather there should be used other, unscientific means (bordering on insight). Nor can we agree to the assertion that utility, being the subject of economics, belongs to the category of tangible and superficial economic phenomena and therefore is not an essentialitic category. On the contrary, utility is an economic category that is as essentialitic as value. And all the useful arguments he gives about value could be given about utility as well.

Those authors who believe that there should be a convergence of economics and political economy are right. We need an economy (economic theory), in which, using the same detailed approach, there should be discussed the problems of both the economic essence and the economic phenomena as well as the interdependences between them. A major position in such an essentialitic-phenomenalistic theoretical economics should be given to a generalized theory of value and utility, which are equal in terms of significance and complexity, including their importance in the formation of market categories, mainly as far as the prices of goods are concerned. That can be achieved in the following directions:

First. It is necessary to develop a more comprehensive ingredient theory of economy. The economy is a system which processes input economic ingredients into output ones. Those ingredients, however, need to be classified into at least two levels - economic phenomena (that is, phenomenal level) and economic essence (also transcendental level), where economic essence manifests itself in economic phenomena. In this line of thoughts we can distinguish between phenomenal economic ingredients and essentialitic economic ingredients. The factors of production and the products manufactured using those are phenomenal economic ingredients, where the factors of production are input phenomenal economic ingredients and the manufactured products are output ones. The economic system processes the factors of production into products.

The value and the utility are essentialitic (also transcendental, but scientifically cognizable) economic ingredients. They belong to the group of the worth economic ingredients. Value in particular is an input essentialitic and worth economic ingredient, while utility is an output one. Behind the fact that the economic system processes the production factors into products, there lies the deeply hidden essentialitic fact that it is value that is eventually processed into utility. Economic science should equally well develop the problems of the equal categories of value and utility in a general theory, in which the classical political economy and modern economics are only variants.

Second, it is known that in the subjective political economy, as well as in modern economics, one of the central positions concerns of *marginal utility*. According to it in a unit of time (let us assume provisionally, that this is a period of twenty-four hours) the ownership and usage of a given type of good (assuming it is a manufacturing product) decreases. The marginal utility of a unit of good is the growth of the total utility of the entire quantity of that good,

the increase of which was caused by its growth by one unit. The marginal utility of a unit of wealth decreases (however, within a unit of time), because there is an accelerated saturation in the satisfaction of the historically and subjectively formed level of needs of the individual. It is the Diminishing Marginal Utility Law in action.

There must also be developed a theory of marginal value. With other conditions remaining constant (including unchanging technology and worker qualification) according to that theory, in a unit of time (let us again assume provisionally that this is a period of twenty-four hours) the individual can produce a smaller or greater quantity of the good, by changing the intensity level. Each newly produced good (within the unit of time) means extra work in the sense of extra intensity, which leads to an increase in the created by him total value during that unit of time. The marginal value of a unit of wealth is the growth in the total value of the entire quantity produced by him, that growth being caused by the increase in the quantity of wealth by one unit. The marginal value of a unit of wealth increases (however, within the unit of time), because there is an accelerating depletion of the historically and subjectively formed level of ability of the individual to work (since before he is able to recuperate his work force he tires and wears out). It is the Law of Diminishing Marginal Value in action. In this way there can and must be developed a comprehensive theory of value, which would be a symmetrical reflection of the theory of utility. What is more, within that theory (but at an essentialist and transcendental level) we can also talk about marginal utility of value and marginal value of utility.

Third. The above principles refer to the *individual utility* and the *individual marginal utility*, as well as to the *individual value* and the *individual marginal value*. The subjective political economy, as well as modern economics, essentially admit precisely only the individual utility and the individual marginal utility. Those who think that there exists social utility and social marginal utility are very few. (Here I deliberately do not touch upon the theory of public welfare which is of a different nature). The main motive against the introduction of *social utility* and *social marginal utility* is that the separate utilities of individuals are qualitatively different, quantitatively incomparable and hence unadditive. And since that is so, no social utility can be extracted from individual utilities and vice versa - there is no way of showing how individual utilities are a form of manifestation of social utility. Actually economics quietly uses social utility, having in mind the fact that it uses the concept of marginal utility of money (regardless of whether it is a constant, or variable quantity) and the fact that it talks about equalizing the correlations between the marginal utilities of the products of individuals with the correlations between their prices, but at different quantities of the goods for individual people.

In much the same way many champions of the theory of value (although they admit the existence of social value) deny the possibility of its measurement, since individual values differ qualitatively and are therefore

unadditive and untotalable. So social value hovers in them in a mysterious and strictly transcendental way. The motive is that the individual productivity rates, the individual intensities and the individual complexities are heterogeneous. By the way, here I would like to mention that the difficulties in reducing the differences between the individual (subjective) utilities of products are no smaller than those of reducing the differences between the individual (subjective) values of products.

And one more thing, once we are using the concept of *marginal utility of money*, there is no problem to use the concept of *marginal value of money*. Those become equal in conditions of *perfect competition*. This means that not only the correlations between the marginal utilities of products, but also those between their marginal values are equal to the correlations between the prices of those products. That fact shows once again that value and utility are of equal standing and with the help of money they manifest themselves equally in the prices of products.

On that basis there can be drawn the conclusion that money performs not only the function of a unit of value, that is, there is not only a money unit of value, but it also performs the function of a unit of utility, that is, there is also a money unit of utility. As a quantity the monetary unit of value is inversely proportional to the marginal value of money and therefore may also be called a marginal money rating of value. On its part, as a quantity the money unit of utility is inversely proportionate to the marginal utility of money, because of which it may also be called a marginal money rating of utility. In their realm the money unit of value and utility form the group of the money units of worth economic ingredients. The marginal value of money, the marginal money rating of value, the marginal value of utility, the marginal utility of money, the marginal money rating of utility and the marginal utility of value, along with the marginal value and the marginal utility of products, form a system of fundamental categories in economic theory.

Fourth. It is possible and necessary to developed also a general theory of social value (including social marginal value), as well as of social utility (including social marginal utility). This can be done, if a relativistic theory of value and utility is constituted. The population of a country (for instance 100 mln people) can be measured by a single number, despite the fact that the individual units of that number represent totally different individuals (white, black, yellow and red, men and women, educated and uneducated, strong and weak etc.), because as representatives of the nation they are equivalent. That is why within the framework of the relativistical theory the individual needs of each person for a unit of time (as reproductive useful needs, but not, for instance, the need for drugs), as well as his individual abilities to work during a unit of time (as reproductive useful abilities, but not his desire to work until he drops dead), may be rated at one. In other words, the needs of every individual in a unit of time are equal to a total utility value of one and his work abilities are

equal to a total value of one. The values of the individual marginal utilities are presented as percentages of the total utility value of one, which decrease with the increase in the quantity of owned and used goods, but their sum is within the boundaries of that very number one. In the same way the values of the individual marginal values are also presented as relative shares of the total value of one, which along with the rise in the volume of manufactured goods also rise, but their sum is also within the boundary of the abovementioned value of one. If that relativistic approach is applied, we can draw three conclusions:

1. The correlations between the *relative individual marginal utilities* of the products within the consumption of every individual are equal to those between their absolute values, respectively the correlations between the *relative individual marginal values* of the products in the production with every individual are also equal to the correlations between their absolute levels. The correlations between the relative marginal utilities and the *relative total utility* (which is a sum total of those marginal utilities and can not exceed one) for every individual are equal to those between their absolute values. In the same way the correlations between the relative marginal values and the *relative total value* (which is a sum of those marginal values and cannot exceed one as well) for every individual are again equal to the correlations between their absolute values. The determination of the individual absolute marginal total utility and the individual absolute marginal total value, which are represented by two marginal relative units, is a question of specific estimates in the area of production and consumption by groups of individuals having similar consumer characteristics, respectively with similar labour characteristics.

2. To the analysis of the individual relative total utility, the individual relative marginal utilities, the individual relative total value and the individual relative marginal utilities of the individual subject, we can apply the same mathematical apparatus that is applied to the analysis of their absolute values in economics.

3. The relative general utilities (respectively the relative marginal utilities) of the products, consumed by the various subjects, as well as the relative general values (respectively the relative marginal values) of products, manufactured by the various subjects, are additive and totalable and are therefore a starting base for determining the *relative social marginal utilities* and the *relative social marginal values* of products, the correlations between which are equal to the correlations between the prices of those products under conditions of perfect competition. In connection with that there must be mentioned four more points.

The first is that the formation of relative social marginal values of products on the basis of their relative individual marginal values is mediated by company economy, the theory of whose functioning is well developed in modern economics.

The second point is that lack of coincidences in the above correlations

indicates the existence of imperfect competition, whose theory is also well developed in economics.

Third, from the more general theory of value and utility it follows that in economy there are two worth metrics - a value metrics and utility metrics, where the first is input worth metrics, and the second - output worth metrics. Irrespective of that system difference, however, economic ingredients of all stages of the reproduction process have their reflections simultaneously both in the value metrics and the utility metrics. This shows that the economic area is an original section of those two metric systems and that all economic ingredients at reproduction level (both at the input and the output of the economic system) are measurable and can be measured both ways - in terms of social value, and in terms of social utility. In market economy those two essentialitic measurements (value and utility) find their common phenomenal reflection in monetary value (in the form of prices), which becomes a mirror of both the value and the utility world. While prices are categories of phenomenal level, and value and utility - of essentialitical level, then money (the money measurement) is the objective attribute of the transformation of economic essence into economic phenomenon, that is, it is the carrier of economic information from the transcendental in the real economic world (by means of the marginal value and the marginal utility of money). Besides, as different from prof. Ossipov's claims, in that transformation, which connects the a priori with the a posteriori economics, there is nothing mysterious and unachievable to science.

The fourth point is that the development of the theory of marginal value (as of equal standing with the theory of marginal utility), as well as the development of the relativistic theory of utility and value, do not reject the past principal formulations in political economy (because the average quantities which it uses, are a special case of the marginal quantities), and do not reject the past formulations in economics (because social utility is built on the basis of subjective utility, which retains its importance). Generally speaking, it is about a constructive further development of the existing theory, essentially without rejecting its past principles. The latter are preserved, and the new principles are generalizingly built over them.