

Kamen Mirkovich, Professor, Dr. Ec. Scs.

PROTOECONOMY OR ECONOMY

Pursuant to the reproduction theory and the set theory the concept was elaborated, that throughout the historical evolution of mankind five basic forms of society (called by the author - forms of the sustaining sphere) have emerged consecutively: consumptionarity, protoeconomy, economy, market economy and financial market economy. They are integrated in each other in such a way, that each subsequent historical form creates and complements a new phase of reproduction, including the previously emerged ones. Thus the historical evolution is projected in the logic of each current form of society. Consequently a *new periodization* of the material life in human evolution was proposed, set up of five stages: non-protoeconomic consumptionarity, non-economic protoeconomy, non-market economy, non-financial market economy and financial market economy. Protoeconomy and economy are not identical notions, as protoeconomy is a wider concept than economy, which is just a special case thereof.

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My article is a response to the informal academic discussions held at the Economics Department of the University for National and World Economy whether *protoeconomy* and *economy* as socio objects are identical, or whether they differ to a certain degree (do not coincide). The colleagues, tending to the view, that these phenomena are identical, have pointed out the circumstance, that in the English economic literature only one term for protoeconomy and economy is used – “economy”. However this fact shows rather, that in the investigated sphere (actually not only therein) the English language is more implicit than the other languages: “стопанство” and “икономика” (Bulgarian), “хозяйство” and “экономика” (Russian), “Wirtschaft” and “Ökonomie” (German). The attempt to present economy as an expression of *the object*, and economics - of the *science* for this object does not settle the problem, but only circumvents it. In principle, there are no obstacles according to the specific context protoeconomy to be considered both as an object, and as a science, and economy to be considered likewise. The actual problem is whether there are any essential and objective differences between them.

In my view, protoeconomy is a wider concept than economy, i.e. economy is always protoeconomy, but protoeconomy is not always economy. In other words, one could speak about two main special cases of protoeconomy – *economic protoeconomy* (i.e. economy) and *non-economic protoeconomy*. From the historical point of view protoeconomy emerged first (it used to be only non-economic protoeconomy), and economy appeared later, upgrading it. Now non-economic and economic protoeconomy can coexist (in interrelation). Moreover, it turned out, that such a “pattern” is applicable not only to protoeconomy and economy, but also to other forms of society, the economists are interested in.

The reader might have travelled by train along the Iskar River Gorge, enjoying the visual geology textbook, displayed by the magnificent Bulgarian nature. The hewn Earth layers overlap each other and their ratios represent the contemporary (logical) structure of the Earth crust. But it is well known, that the layers originate from different geological periods in the same sequence, they are ordered now. Therefore we say, that the logical is the historical in projection. According to the present logical structure we could study the historical development of an object. The same applies to protoeconomy and economy - their present *multilayer structure* reveals their consecutive appearance and development in the history of mankind. Economy has risen out of protoeconomy like its *initial basis* (something like an initial economic mix). For this reason I consider protoeconomy an *initial economy*, a *protoeconomy* and translate it in English with the conventional term "protoeconomy".

What is the must in protoeconomy? The natural and human resources are scarce, i.e. the goods generated by them are insufficient to meet the needs of the people and the society (I would say – their prudent needs). *The scarce resources* are the adequate factor to identify protoeconomy. This sign is also introduced in economy, remaining valid for it as well. Therefore it is still a protoeconomy, but something new appears therein, which was not present in protoeconomy prior to the emergence of economy, i.e. in the non-economic protoeconomy. The new item, "creating" and "constituting" the economy, is the wealth ownership or precisely speaking – the distribution of income (in-kind or monetary income) according to ownership (determined by the ownership of the means of production). Therefore we say, that the *distribution of income* is a realization of the economic ownership relation. In the tribal society there used to be a protoeconomy (with available *production* and *consumption*), but there was no economy, because within the tribe (or within certain units therein) there were no ownership relations and the labor output was not distributed according to an internally differentiated ownership. Consequently *the distribution of income according to the wealth ownership* is the adequate sign for identification of economy.

Evidently, the initial protoeconomy (non-economic protoeconomy) has production and consumption, but distributed not according to the ownership. Whereas economy (economic protoeconomy) has production, distribution according to ownership and consumption. The *reproduction* concept is highlighted here, which according to K. Marx is set up of four consecutive and simultaneous phases: production, exchange, distribution and consumption. But his analysis refers to the capitalist mode of production, being one of the stages of development of market economy (actually the best example of market economy), where the commodity is its *elementary form*. While the non-economic protoeconomy has two phases of reproduction – production and consumption, the economy (here we could say – non-market economy) has only three phases – production, distribution and consumption, but the emerging market economy (to begin with the underdeveloped form of simple production of commodities) is related to *exchange*, as a result of the

socio division of labor – when a man or group of men are specialized in the creation of a certain type of product, producing it not for own needs, but for others. *The socio division of labor* (based on specialization of labor) is the adequate sign to identify the market economy. The latter is upgraded above economy and thus has four reproduction phases – production, exchange, distribution and consumption (i.e. the market economy covers the complete reproduction structure developed by Marx). Hence each market economy is both an economy (and a protoeconomy), but not each economy is a market economy. Consequently economy has two basic special cases – *non-market economy* and *market economy*. It is evident that the completion of the reproduction structure gives rise to (upgrades) newer basic forms of society, of the interest to the economists. The step-by-step logical structure of reproduction of a certain form of society at a given moment encompasses a brief history of the preceding forms of society in projection. Along with these forms (called by me basic forms) there are numerous other intermediate forms and derivatives, but they do not alter the main structure, they rather back up the saying "The exception proves the rule".

Shall we stop here? No, it is too late! But before continuing further in history and logic, let me come back. We see, that there are main forms of society with two, three and four reproduction phases: protoeconomy (non-economic protoeconomy), economy (non-market economy) and market economy. The question is raised: "Is it possible to have reproduction with just one phase?" Yes, it is only the *consumption*. Thus we come back to the beginning of mankind, at the time of *savagery*, for which we are not able to give a definite answer whether this strange being (called now man) was already a human or was it still a monkey. At that time there was no production in the strict sense of the word (as it was a transition period in history although lasting for a very long time), but only *gathering* was available. Such a form of society with a single phase of reproduction is called by me *consumptionarity*. It is the first basic form of society. The sufficient identification signs are the available *needs* (human needs), to be satisfied. Later the two-phase protoeconomy (production and consumption) emerged, being of course, consumptionarity, too, but not each consumptionarity is a protoeconomy as well. Consequently consumptionarity has two basic special cases – *non-protocconomic consumptionarity* (*savagery*) and *protocconomic consumptionarity* (protoeconomy).

Thus, the sequence is constituted: consumptionarity, protoeconomy, economy, market economy. Is it the end of the historical evolution? The history of protoeconomy shows, that the answer is "No". The market economy is followed by *developed market economy* (also called *economic civilization*). This is the fifth basic form of society. I call it *financial market economy*. The sufficient sign for its identification is, that in addition to the products, the *monetary aggregates* (actually being the financial assets) become commodities. This is an indicator of emerging financial markets (being of course just a sector in the financial market economy). As the monetary aggregates could be measured by means of different liquidity coefficients, generating a common liquid continuum, I also call this (fifth) status of

society *liquid economy* (as well as *virtual economy*). Its reproduction is carried out in five phases: production, exchange, distribution, financial exchange (where the monetary aggregates are commodities) and consumption. The *financial exchange* is a special case of exchange in general, but having a very unique statute, empowering it as an independent reproduction phase. For this reason the financial market economy is a market economy, but not each market economy is a financial market economy. Consequently the market economy has two basic varieties: *non-financial market economy* and *financial market economy*.

However something is still missing in this structure, made of five layers: consumptionarity, protoeconomy, economy, market economy and financial market economy. Its is a common term for these five forms, considered as its special cases. For such a common term I have used the concept "form of society". But we know that it is a very wide concept. Spirituality, religion, politics, science, love, etc. are all forms of society, but definitely they have not been mentioned here. What was actually meant? If there hadn't been the five levels, we would say that this general term is protoeconomy or economy (ex, those are happy, who identify them), and everything would have ended here, as if it were the end of the economic science so far. But on the contrary! These five forms of society "cry for" a general term. I admit, that I hesitated to adopt the term "*sustaining sphere*" or in short – "*sustenance*". This is the sphere, sustaining the existence of mankind. It is the "feeding block", providing for the satisfaction of human needs. I could have called it the provision sphere, but some people might have regarded it a security sphere.

Hence, the sustaining sphere has *five basic forms*: consumptionarity, protoeconomy, economy, market economy and financial market economy. A myriad of hundred (or perhaps thousands) of new concepts arises thereof, and the economists have to study them in details. For instance: in addition to relations now there are also *consumptionary relations, protoeconomic relations, economic relations, market-economic relations, financial-market-economic relations*; in addition to usefulness (incl. total and marginal usefulness) there is *consumptionary usefulness, protoeconomic usefulness, economic usefulness, market-economic usefulness, financial-market-economic usefulness*; in addition to reproduction there is a *consumptionary reproduction, protoeconomic reproduction, economic reproduction, market-economic reproduction, financial-market-economic reproduction*; in addition to wealth now there are also *consumptionary wealth, protoeconomic wealth, economic wealth, market-economic wealth, financial-market-economic wealth*; in addition to production now there are also *protoeconomic production, economic production, market-economic production, financial-market-economic production* etc. This is just a short presentation of some of them, without the emerging (sixth) basic form of the sustaining sphere – *global financial market economy*.¹

¹ The study in this article is inconceivable without applying the *systematic approach in economy*. I have dedicated to the detailed screening of the systematic approach and the economic system my large work

The contribution of this work is the suggested and developed new paradigm for setting up a system of categories of the economic science, and hence – for complete rewriting of all the basic economic theory textbooks. It is based on the standard and systematic arranging of all the economic concepts reflecting the objective economic history. Moreover, even the question is raised about constituting a set of sciences on the *sustaining sphere*: consumptionary science, protoeconomic science, economic science, market-economic science, financial-market- economic science.

Nature of the sustaining sphere

The sustaining sphere [or the socio-sustenance, sustenance] is a key field of human activity, creating and using the *material wealth (sustaining wealth, socio-sustaining wealth)* as a set of *goods* in view of sustaining the existence and development of *the socium* (of the people and the society in general); it is the sustaining, the “feeding” block of the socium, providing for the satisfaction of its *needs* (but not in the sense of subsidiary activity or a subsidiary sphere). The functioning of this block enables the *reproduction (the sustaining reproduction)*. The indirectly-measured and indirectly-evaluated by the socium ability of the goods to provide for their existence and reproduction is defined as a *worth* (as a *socio-worth*). The sustenance could be regarded as fixed in time and space aggregate of interactive *sustaining relations (socio-sustaining relations)* and *sustaining units (socio-sustaining units, agents)*, carried out and taking part (functioning) in the reproduction of wealth. There the sustaining units perform a reproduction in order to meet the *reproduction needs*. The sustaining sphere is a wider concept than *protoeconomy, economy, market economy and financial-market economy*. It is one of the key concepts of the socium.²

Basic forms of the sustaining sphere

One of the classification criteria of the sustaining sphere (sustenance) according to **basic forms** is the *reproduction range /girth/ of the sustenance*. Under this criterion the basic forms of the sustaining sphere are: (1) *consumptionary*, (2) *protoeconomy*, (3) *economy*, (4) *market economy*, (5) *financial market economy (developed market economy)*. In this sequence **each subsequent form is a part of the previous one**. The cases of different reproduction range of the sustaining sphere appear historically in succession, but

in two volumes (totalling 2200 printed pages) “The Economic system” (*Mirkovich, K. The Economic system. Vol. I. Sofia: “Trakia-M”, 2008, 1115 p.; Mirkovich, K. The Economic system. Vol. II. Sofia: “Trakia-M”, 2009, 1146 p.*).

² Here the term (socium) [social continuum] is considered as a community of people (individuals, groups of persons and the society in general) within a territory (state, region and the world in general) at a certain stage of the historical evolution. The compulsory condition for existence of socium is the available *sustenance (sustaining sphere)*, where *wealth* is created and used in view of meeting the *needs*.

at a certain moment of the socio-evolution, the logical structure of the last one (in the form of various in-depth arranged layers) contains **all or some** of the previous reproduction ranges. Therefore the following sequence of reproduction ranges is obtained (reproduction-substantial ranges): (1) consumption; (2) production – consumption; (3) production – distribution – consumption; (4) production – exchange – distribution – consumption; (5) production – exchange – distribution – financial exchange – consumption (the financial exchange, i.e. exchange of *monetary aggregates*, is a special case of exchange in general).

Consumptionarity could include all or some of the above-mentioned ranges. **Protoeconomy** could include all or some of the following reproduction ranges: (2) production – consumption; (3) production – distribution – consumption; (4) production – exchange – distribution – consumption; (5) production – exchange – distribution – financial exchange – consumption. **Economy** could include all or some of the following reproduction ranges: (3) production – distribution – consumption; (4) production – exchange – distribution – consumption; (5) production – exchange – distribution – financial exchange – consumption. **Market economy** could include two or one of the following reproduction ranges: (4) production – exchange – distribution – consumption; (5) production – exchange – distribution – financial exchange – consumption. **Financial market economy** includes only one reproduction range: (5) production – exchange – distribution – financial exchange – consumption.

The reproduction range of the sustenance **might be used as a criterion for periodization of the material evolution of the human society**. According to **the prevailing (and determining) form of the sustenance** five periods of the historical evolution of mankind could be outlined: (1) *non-protocconomic consumptionarity (consumptionarity proper – savagery, gathering)*; (2) *non-economic protoeconomy (protoeconomy proper – tribal protoeconomy)*; (3) *non-market economy (economy proper – domestic economy)*; (4) *non-financial market economy (market economy proper – national economy)*; (5) *financial market economy (financial market economy proper – international economy)*. Each of these forms however in the capacity of non-prevailing (and non-determining) form of the sustenance is a part of the subsequent forms and absorbs some of their characteristics (for example the national economy becomes a financial market economy). Moreover in the protocconomic history there are a number of intermediate and mutually overflowing derivative forms, tending to one or another of the basic forms of the sustenance.

At the next stage of the evolution the mankind is in a transition to a sixth (new) prevailing form of the sustenance – *global financial market economy*. It is a *global economy*, characterized by the specific feature, that the rules for functioning of the international economy become rules for the national economy as well (i.e., the nationally differentiated economies are gradually expected to disappear).

It is evident, that pursuant to the *reproduction range of the sustenance* the following **basic forms of the sustenance** (of the sustaining sphere) are

distinguished – consumptionarity, protoeconomy, economy, market economy and financial market economy (developed market economy), and each of these forms (degrees of the range) is a part of the previous form (of the previous degree of the range). That is the reason why each basic form according to the reproduction range of the sustenance includes on its part various analogous forms of the sustaining sphere also according to the reproduction range. Therefore the set of special cases, belonging to a basic form (range) of the sustaining sphere of the socium, are a subset of the set of special cases, belonging to the previous basic form (range) of the above-mentioned sequence (see Fig. 1 and Fig. 2). This arrangement is characterized by the inherent objective correlation between the historical and the logical in the development of the sustaining sphere, whereas the logical is a fine projection of the historical.

Figure 1

The sustaining sphere and its basic forms according to the reproduction range and the limitation level, represented by means of overlapping segments

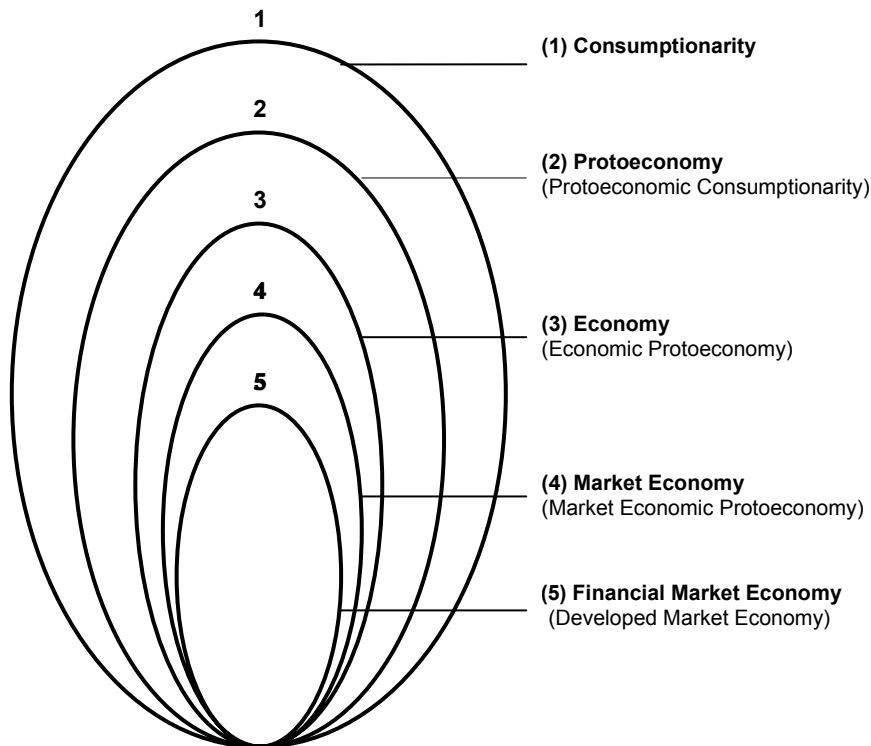
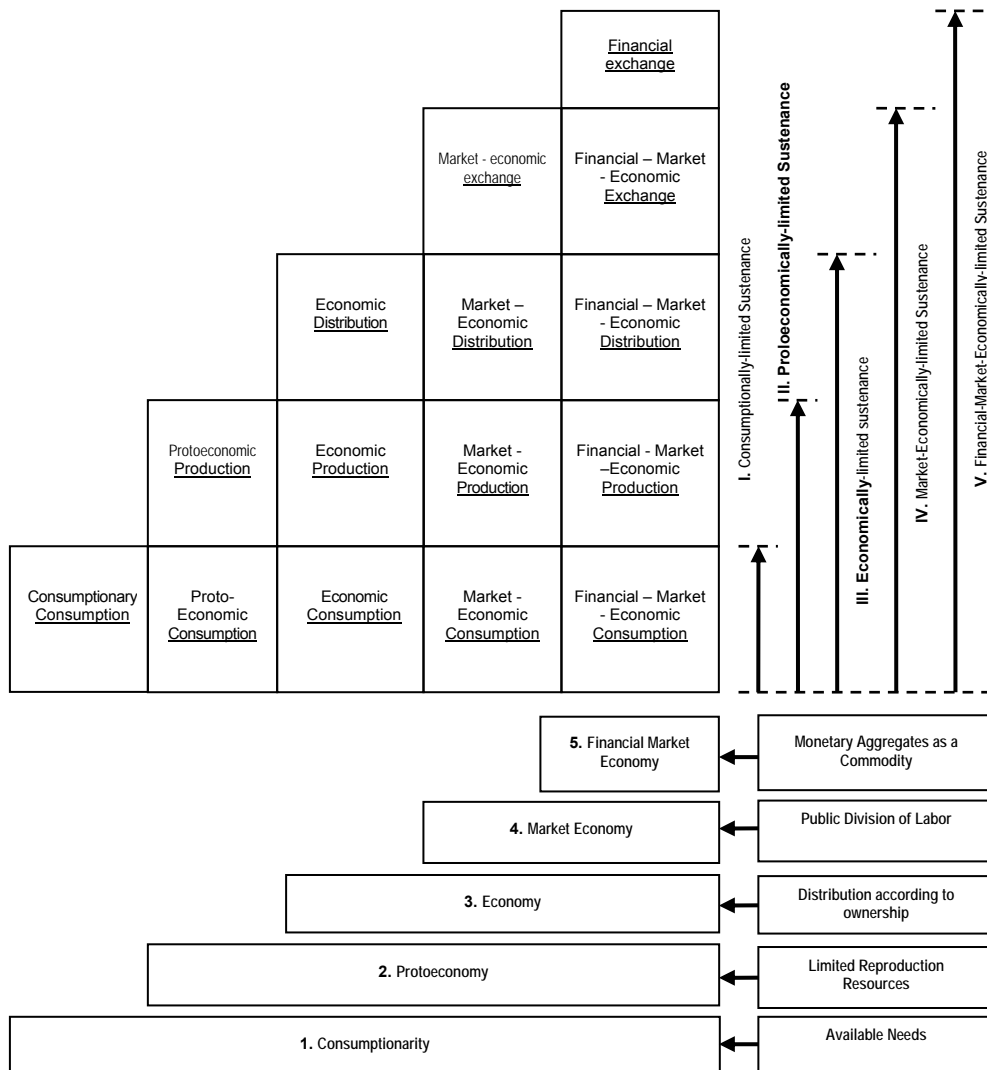


Figure 2

The sustaining sphere and its basic forms according to the reproduction range and the limitation level, represented by means of stepped segments



When identifying the basic forms of the sustenance according to their reproduction range (consumptionarity, protoeconomy, economy, market economy and financial market economy) **their microscopic definition (within the system) is taken**

into consideration. For instance a domestic protoeconomy is a realization of the non-economic protoeconomy, because the distribution of the income among the protoeconomic units within it is not effected according to their ownership of wealth. However its macroscopic definition (of the general system) could characterize it as an economic unit (i.e. as a domestic economy) within a community of many domestic protoeconomies, being economically differentiated from each other and the income of each of them in general depends on the ownership of its wealth. Then the entire community is an economy, composed of its economic units, whose role is performed by the domestic protoeconomies. Likewise the market economy is made of market-economic units, exchanging commodities, although each of them from the point of view of its definition within the system on its part could be made of non-market-economic units. Therefore the stepping up into a higher degree of community of sustaining units is usually accompanied with the transition to a higher degree of reproduction range of the basic forms of the sustaining sphere (of the sustenance).

Addendum

Macroscopic, mesoscopic and microscopic features of the economic system

The economic system (like any other system in the sphere of the sustenance) is an integrity of interactive elements. But it also abounds in aspects, sides, sections, definitions, etc. In my view the economic system can be defined and analyzed at **three basic levels** – macroscopic, mesoscopic and microscopic level.

The *macroscopic level of the economic system* defines the system in its integrity – as a structure, input, output, characteristic features, specification, functioning, properties and behavior. This level corresponds to the *macroscopic analysis of the economic system*.

The *mesoscopic level of the economic system* defines its subsystems – such as the structure, input, output, characteristic features, specification, functioning, properties and behavior of these subsystems, including their interrelations, i.e. defining the separate subsystems, and the set of the subsystems. The macroscopic level can not be reduced to and identified with the mesoscopic level, as new properties of the general system arise and emerge there, being inherent neither to the separate economic subsystems nor to the set of economic subsystems. It does not mean however, that ultimately, the macroscopic level could not be explained with the mesoscopic level, as actually the economic system is composed of its subsystems. This level corresponds to *mesoscopic analysis of the economic system*.

The *microscopic level of the economic system* defines its elements – like structure, input, output, characteristic features, specification, functioning, properties and behavior of the elements of the economic system, including their interrelations, i.e. the definiteness both of the separate elements, as well as of the set of elements. The macroscopic level can not be reduced to and identified with the microscopic level, as at the macroscopic there appear and emerge new properties of the general system, being inherent neither to the separate elements, nor even to the set of elements. It does not mean however, that ultimately, the macroscopic level could not be explained with the microscopic level, as the economic system is composed ultimately of its elements, demonstrating the functioning of the principle of *economic monofundamentality*. This level corresponds to the *microscopic analysis of the economic system*. Of course, the interdependence between the macroscopic and microscopic level of the economic system could be predefined from the point of view of the intermediate place of the mesoscopic level.

The distinction made by me among the macroscopic, mesoscopic and microscopic levels of the economic system, should not be identified with the distinction among the macroeconomic, mesoeconomic and microeconomic systems. The latter are special cases of the more general concept of the economic system and each one has its own place in the objective economic environment and is defined as an output system from the point of view of research and management. Each one is identified according to the level of generalization of their constituting and functioning and this level should not be confused with the level of definiteness and analysis of the economic system. In this sense each of the macroeconomic, mesoeconomic and microeconomic systems contains macroscopic, mesoscopic and microscopic definiteness and each one could be subject to a macroscopic, mesoscopic and microscopic analysis.

According to the limitation reproduction level of the sustenance (being a classification criterion of the sustaining *sphere*) the following **basic forms** of the sustenance are identified: (I) *consumptionally-limited sustenance* [*consumptionally-limited sustaining sphere*] – where the reproduction level could be reached only up to *consumption*; (II) *protoeconomically-limited sustenance* [*protoeconomically-limited sustaining sphere*] – where the reproduction level could be reached only up to *production* and *consumption*; (III) *economically-limited sustenance* [*economically-limited sustaining sphere*] – where the reproduction level could be reached only up to *production*, *distribution* and *consumption*; (IV) *market-economically-limited sustenance* [*market-economically-limited sustaining sphere*] – where the reproduction level could be reached only up to *production*, *exchange*, *distribution* and *consumption*; (V) *financial-market-economically-limited sustenance* [*financial-market-economically-limited sustaining sphere*] – where the reproduction level could be reached up to all phases – *production*, *exchange*, *distribution*, *financial exchange* and *consumption* (see Fig. 1 and 2). The simultaneous application of both classification criteria (**the reproduction range** and the **limitation level**) results in **special cases** of the sustenance.

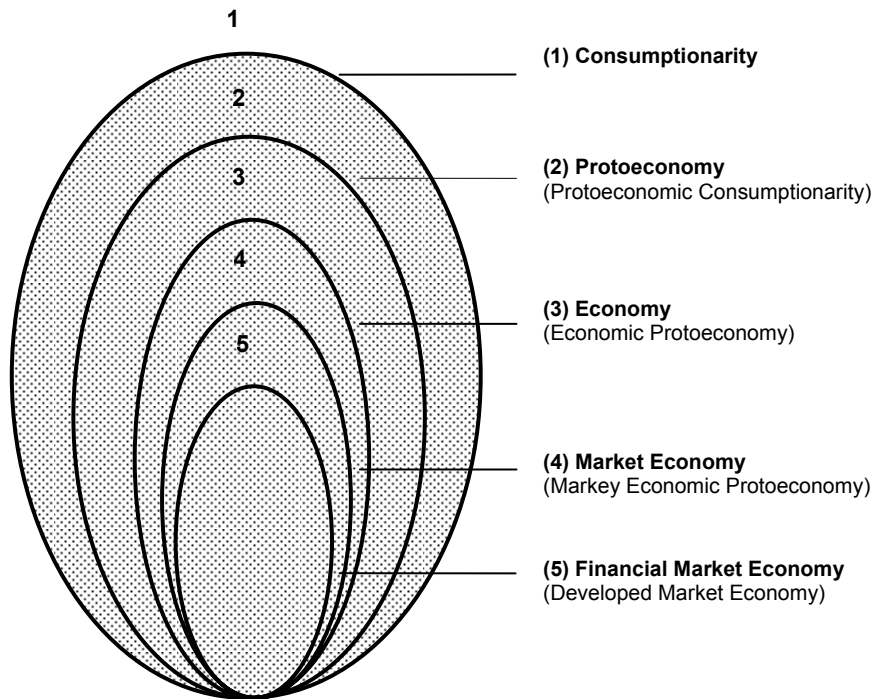
(1) Consumptionarity

The consumptionarity (consumptionary sphere, consumptionary sustenance, consumptionary sustaining sphere) is the complete range of the sustaining sphere (Fig. 3). It is such an activity of the socium, by means of which the people and the society satisfy their needs by consuming *goods*. The available **needs** (and the necessity to satisfy the needs) is the **adequate factor** for the identification of consumptionarity. The needs therein are *consumptionary needs* (consumptionally-contingent needs), the goods – *consumptionary goods* (consumptionally-contingent goods), the wealth – *consumptionary wealth* (consumptionally-contingent wealth), the reproduction – *consumptionary reproduction* (consumptionally-contingent reproduction), the worth – *consumptionary worth* (consumptionally-contingent worth). Consumptionarity (consumptionary sustenance) consists of five limitation levels, and therefore according to its limitation reproduction level it has five basic forms: (1) *properly-limited consumptionarity* [*properly-limited consumptionary sustenance*]; (2) *protoeconomically-limited consumptionarity* [*protoeconomically-limited consumptionary sustenance*]; (3)

economically-limited consumptionarity [economically-limited consumptionary sustenance]; (4) (market-economically-limited consumptionarity) [market-economically-limited consumptionary sustenance]; (5) financial-market-economically-limited consumptionarity [financial-market-economically-limited consumptionary sustenance]. Within certain national borders only one of these five limitation levels could exist. At some limitation levels protoeconomy, economy, market economy and financial-market economy (developed market economy) are subsystems of consumptionarity.

Figure 3

Consumptionarity (marked areas) and its place within the structure of the sustaining sphere, presented by overlapping segments



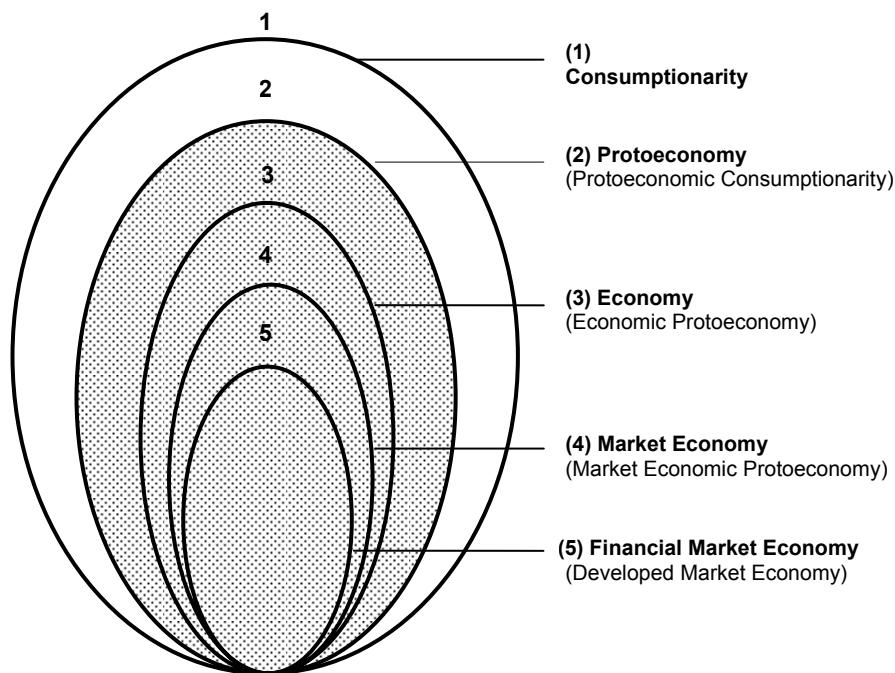
(2) Protoeconomy

*The protoeconomy (protoeconomic sphere, protoeconomic sustenance, protoeconomic sustaining sphere) is the second range of the sustaining sphere (Fig. 4). It is such an activity of the socium, where the people and the society satisfy their needs by means of production and consumption of goods. The emerging production is a consequence of the conscious scarcity of the reproduction resources, providing for the satisfaction of the needs. The available **insufficiency of***

reproduction resources is the **adequate factor** to identify protoeconomy. It is characterized by (1) insufficiency of the reproduction resources, and (2) available needs (insufficiency always presupposes available needs, because it is constituted pursuant to them). Therefore protoeconomy is always consumptionarity as well, but not each consumptionarity is a protoeconomy. In the case of protoeconomy the needs are *protoeconomic needs* (protoeconomically-contingent needs), the goods – *protoeconomic goods* (protoeconomically-contingent goods), the wealth – *protoeconomic wealth* (protoeconomically-contingent wealth), the reproduction – *protoeconomic reproduction* (protoeconomically-contingent reproduction), the worth – *protoeconomic worth* (protoeconomically-contingent worth). Protoeconomy (protoeconomic sustenance) has four limitation levels, consequently according to its limitation reproduction level it has four basic forms: (1) *properly-limited protoeconomy* [*properly-limited protoeconomic sustenance*]; (2) *economically-limited protoeconomy* [*economically-limited protoeconomic sustenance*]; (3) *market-economically-limited protoeconomy* [*market-economically-limited protoeconomic sustenance*] (4) *financial-market-economically-limited protoeconomy* [*financial-market-economically-limited protoeconomic sustenance*].

Figure 4

Protoeconomy (marked areas) and its place within the structure of the sustaining sphere, presented by overlapping segments

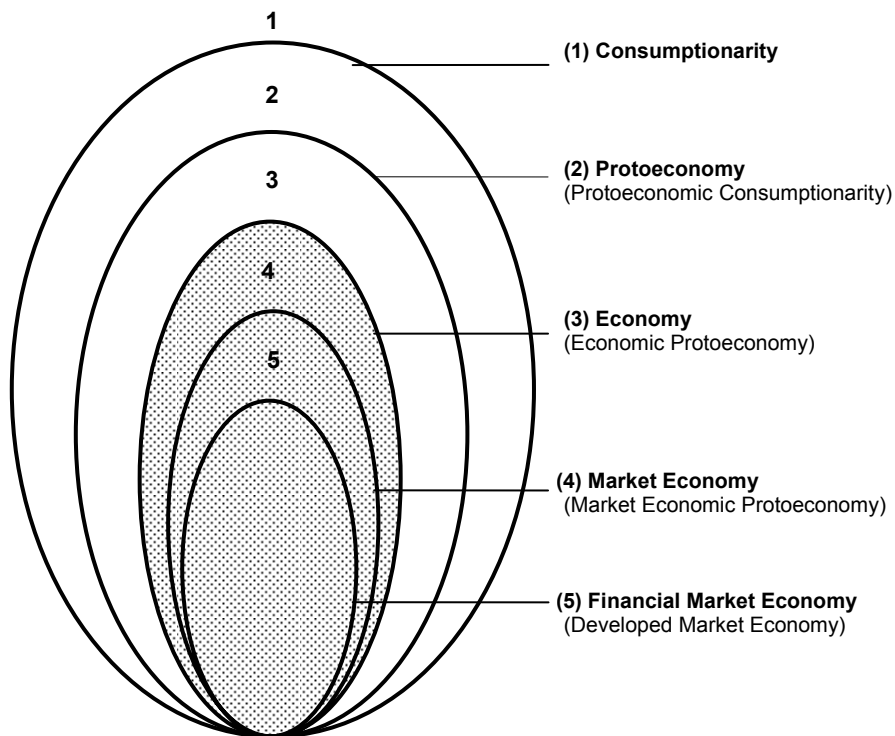


(3) Economy

The economy (economic sphere, economic sustenance, economic sustaining sphere) is the third range of the sustaining sphere (Fig. 5).

Figure 5

Economy (marked areas) and its place within the structure of the sustaining sphere, presented by overlapping segments



Economy is such an activity of the socium, where the people and the society satisfy their needs by means of production and consumption of *goods*, but motivated by the distribution of income (in-kind, or monetary) according to the ownership of their *wealth* (especially according to the ownership of the means of production). The emerging economy is a consequence of the ownership relations among the people, being its quality estimate. The available ***distribution of income according to the ownership of wealth*** is ***the adequate factor*** to identify economy. It is characterized by (1) distribution according to the ownership of wealth, and (2) the available insufficiency of

reproduction resources (ownership always suggests available insufficiency, because in case of unlimited resources it becomes intangible as a socio-relation) and (3) needs (insufficiency always presupposes available needs). Therefore economy is always protoeconomy and consumptionarity as well, but not each protoeconomy and not each consumptionarity is an economy. In the case of economy – the needs are *economic needs* (economically-contingent needs), the goods – *economic goods* (economically-contingent goods), the wealth – *economic wealth* (economically-contingent wealth), the reproduction – *economic reproduction* (economically-contingent reproduction), the worth – *economic worth* (economically-contingent worth).

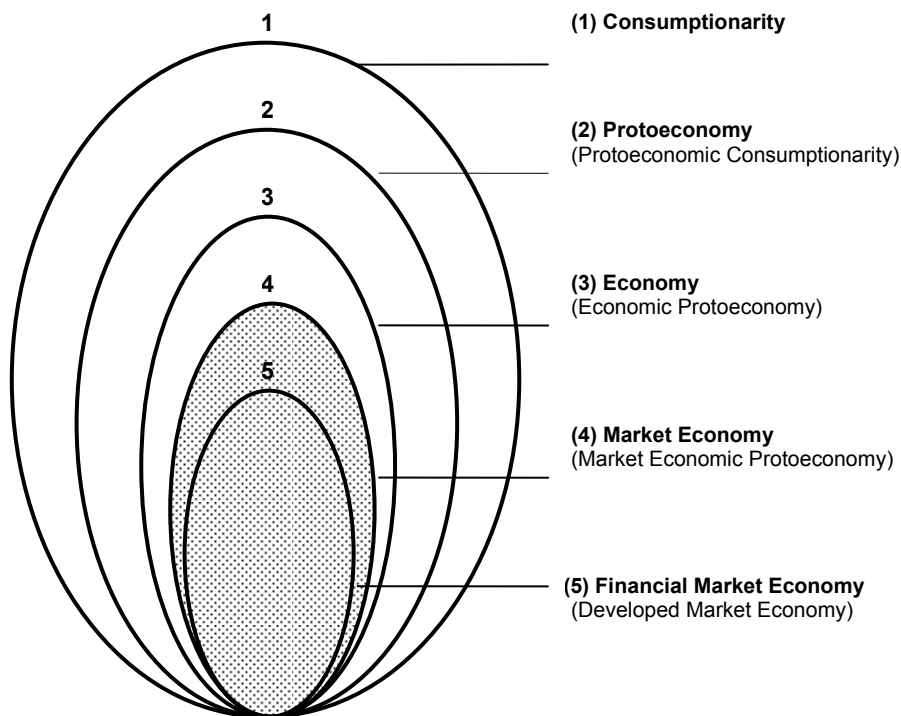
Economy (economic sustenance) has three limitation levels, consequently according to its limitation reproduction level it has three basic forms: (1) *properly-limited economy [properly-limited economic sustenance]*; (2) *market-economically-limited economy [market-economically-limited economic sustenance]* (3) *financial-market-economically-limited economy [financial-market-economically-limited economic sustenance]*. At certain limitation levels the market economy and the financial-market economy are subsystems of consumptionarity, of protoeconomy and of economy.

(4) Market economy

The market economy (market-contingent economy, *market-economic sphere, market-economic sustenance, market-economic sustaining sphere*) is the fourth range of the sustaining sphere (Fig. 6). It is such an activity of the socium, where the people and the society satisfy their needs by means of production and consumption of *goods*, but motivated by the distribution of income (in-kind or monetary) according to the ownership on their wealth under the conditions of socio-division of labor. The emerging market economy is due to the emerging socio-division of labor, being its quality estimate. The available **socio-division of labor** is **the adequate factor** to identify market economy. It is characterized by (1) socio-division of labor, and (2) available distribution according to the ownership of wealth (ownership always presupposes economic contingency and socio-division of labor), (3) insufficient reproduction resources (ownership always presupposes available insufficiency, because in case of unlimited resources the ownership becomes intangible as a socio-relation) and (4) needs (insufficiency always presupposes available needs). Therefore market economy is always economy, and protoeconomy, and consumptionarity, but not each economy, not each protoeconomy and not each consumptionarity is a market economy. In the case of market economy: the needs are *market-economic needs* (market-economically-contingent needs), the goods – *market-economic goods* (market-economically-contingent goods), the wealth – *market-economic wealth* (market-economically-contingent wealth), the reproduction – *market-economic reproduction* (market-economically-contingent reproduction), the worth – *market-economic worth* (market-economically-contingent worth).

Figure 6

Market economy (marked areas) and its place within the structure of the sustaining sphere, presented by overlapping segments



Market economy (market-economic sustenance) has two limitation levels, therefore according to its limitation reproduction levels it has two basic forms: (1) *properly-limited market economy [properly-limited market-economic sustenance]*; (2) *financial-market-economically-limited market economy [financial-market-economically-limited market-economic sustenance]*. At certain limitation levels financial-market economy is a sub-system of consumptionarity, of protoeconomy, of economy and of market economy.

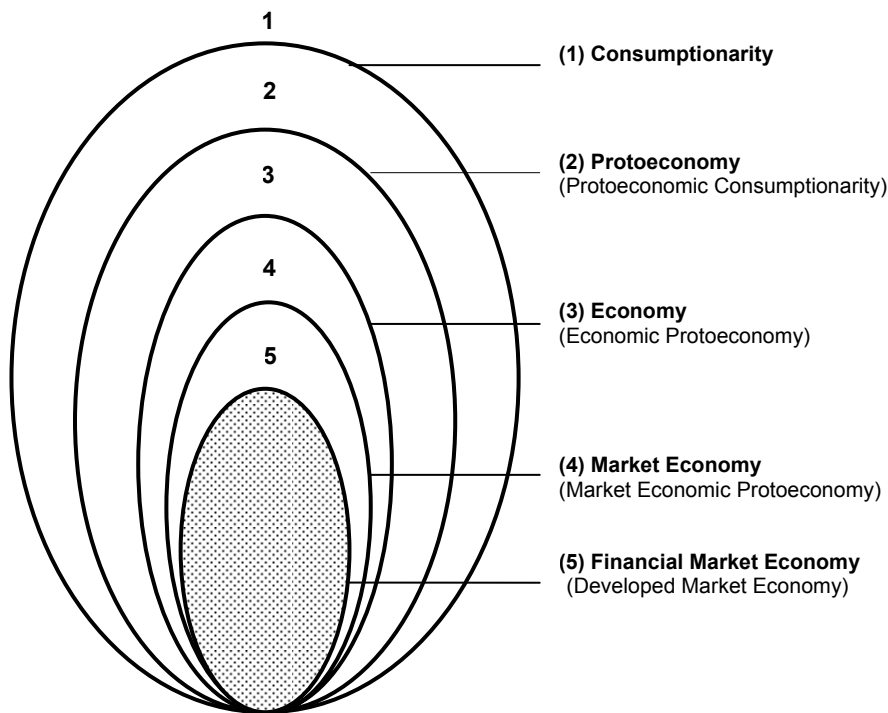
(5) Financial market economy

The financial market economy (financially-contingent market economy, financial-market-contingent economy, developed market economy, financial-market-economic sphere, financial-market-economic sustenance, financial-market-economic sustaining sphere) is the fifth and the last range of the sustaining sphere (Fig. 7). It is such an activity of the socium, where the people and the society satisfy their needs by means of production and consumption of goods, but motivated by distribution of income (in-kind

or monetary) according to the ownership on their wealth under the conditions of socio-division of labor and exchange of *monetary aggregates*. The financial market economy emerged as a result of the emerging exchange of monetary aggregates, being its quality estimate. The available **exchange of monetary aggregates** is the **adequate factor** to indentify financial market economy. The financial-market economy is characterized by (1) exchange of monetary aggregates, and available (2) socio-division of labor (financial exchange always presupposes socio-division of labor), (3) distribution according to the ownership of wealth (ownership always presupposes economic differentiation and socio-division of labor), (4) insufficient reproduction resources (ownership always presupposes available insufficiency, because in case of unlimited resources the ownership becomes intangible as a socio-relation) and (5) needs (insufficiency always presupposes available needs). Therefore the financial market economy is always market economy, and economy, and protoeconomy, and consumptionarity, but not each market economy, not each economy, not each protoeconomy and not each consumptionarity is a financial market economy.

Figure 7

Financial market economy (marked areas) and its place within the structure of the sustaining sphere, presented by overlapping segments



In the case of financial market economy the needs are *financial-market-economic needs* (financial-market-economically-contingent needs), the goods – *financial-market-economic goods* (financial-market-economically-contingent goods), the wealth – *financial-market-economic wealth* (financial-market-economically-contingent wealth), the reproduction – *financial-market-economic reproduction* (financial-market-economically-contingent reproduction), the worth – *financial-market-economic worth* (financial-market-economically-contingent worth). The financial market economy (financial-market-economic sustenance) has only one limitation level, and consequently according to its limitation reproduction level it has one basic form: properly-limited financial market economy [properly-limited financial-market-economic sustenance].

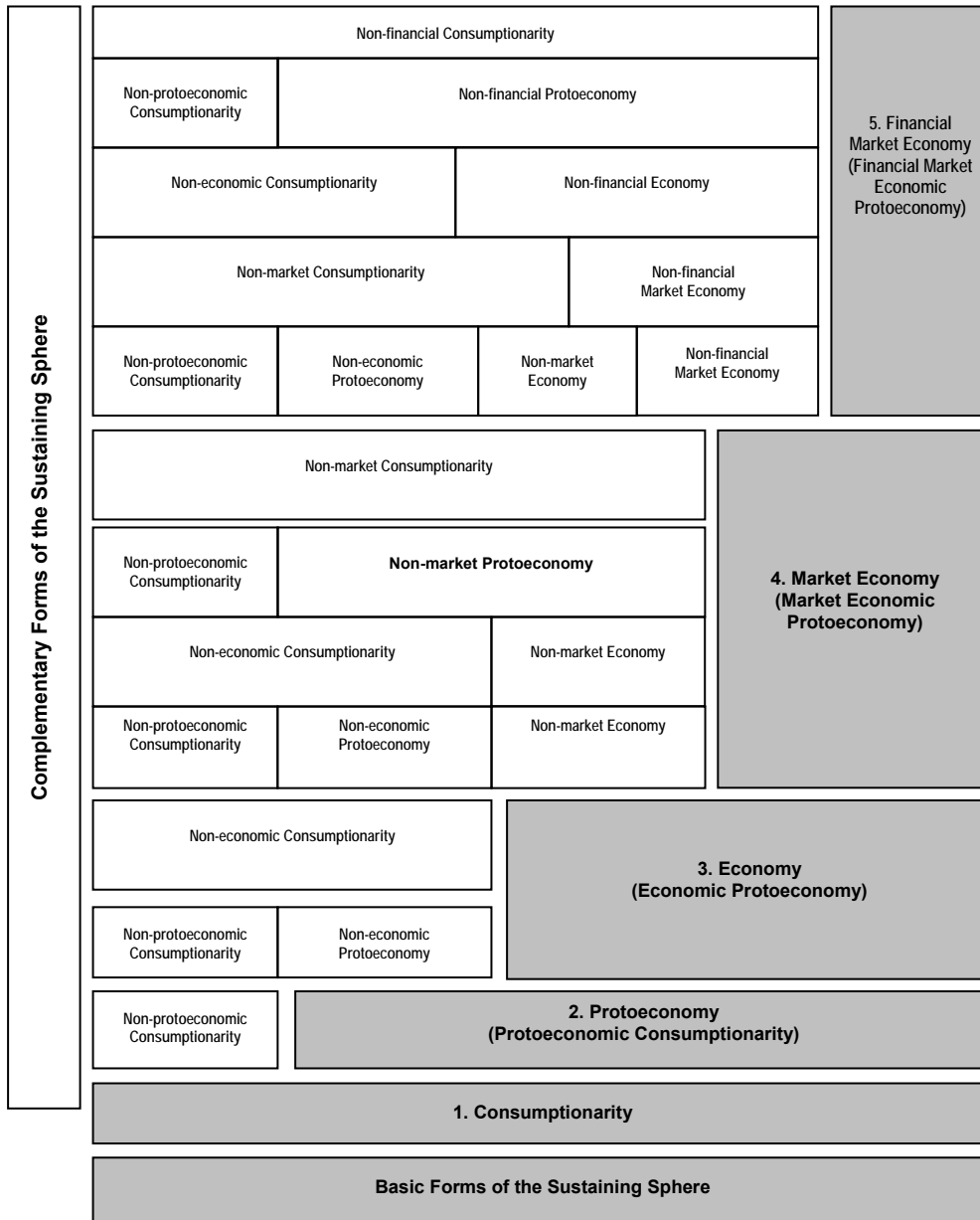
On its part *consumptionally-limited sustenance* [*consumptionally-limited sustaining sphere*] could be realized maximum up to one level – the level of consumptionarity (of consumptionary sustenance). The *protoeconomically-limited sustenance* [*protoeconomically-limited sustaining sphere*] could be realized maximum up to two levels – the consumptionarity level and the protoeconomy level. The *economically-limited sustenance* [*economically-limited sustaining sphere*] could be realized maximum up to three levels – the consumptionarity level, protoeconomy level and the economy level. The market-economically-limited sustenance [market-economically-limited sustaining sphere] could be realized maximum up to four levels –the consumptionarity level, the protoeconomy level, economy level and the market economy level. *The financial-market-economically-limited sustenance* [*financial-market-economically-limited sustaining sphere*] could be realized maximum up to five levels –consumptionarity level, protoeconomy level, economy level, market economy level and financial-market economy level.

Complementary forms of the sustaining sphere

Along with the basic forms, the complementary forms of the sustaining sphere also have an important place in the structure of the sustaining sphere. *The complementary forms of the sustaining sphere* [*complementary forms of the sustenance*] supplement the **basic forms** of the sustenance (such as *protoeconomy*, *economy*, *market economy* and *financial market economy*), the so-called **complemented forms**, to other basic forms (such as *consumptionarity*, *protoeconomy*, *economy* and *market economy*), the so called **full forms**. A full form of the sustenance is a set of cases of the sustenance, integrating the set of cases of the complemented form with the set of cases of the respective complementary form. The basic forms and their respective complementary forms are presented and arranged in Fig. 8. There are four groups of complementary forms of the sustenance: complementary forms of protoeconomy, complementary forms of economy, complementary forms of market economy, complementary forms of financial market economy.

Figure 8

Basic forms and complementary forms of the sustaining sphere



(1) **Consumptionarity** has no complementary forms, as each basic form of the sustaining sphere has consumptionarity.

(2) **Protoeconomy** (just like *protoeconomic consumptionarity*) has only one complementary form of the sustenance (complementing it to consumptionarity) – this is the *non-protoeconomic consumptionarity*. Thus consumptionarity has two basic special cases: protoeconomy (protoeconomic consumptionarity) and non-protoeconomic consumptionarity.

(3) **Economy** (just like *economic protoeconomy*) could be complemented up to protoeconomy and to consumptionarity.

(a) The complementary form of economy to protoeconomy (to protoeconomic consumptionarity) is the *non-economic protoeconomy (non-economic protoeconomic consumptionarity)*. From this point of view protoeconomy has two basic special cases: economy (economic protoeconomy) and non-economic protoeconomy.

(b) The complementary form of economy to consumptionarity is the *non-economic consumptionarity*. From this point of view consumptionarity has two basic special cases: economy (economic protoeconomy) and non-economic consumptionarity. On its part the non-economic consumptionarity incorporates non-economic protoeconomy (non-economic protoeconomic consumptionarity) and non-protoeconomic consumptionarity.

(4) **Market economy** (just like *market economic protoeconomy*) could be complemented up to economy, to protoeconomy and to consumptionarity.

(a) The complementary form of market economy to economy (to economic protoeconomy) is the *non-market economy (non-market economic protoeconomy)*. From this point of view economy has two basic special cases: market economy (market economic protoeconomy) and non-market economy (non-market economic protoeconomy).

(b) The complementary form of market economy to protoeconomy (to protoeconomic consumptionarity) is the *non-market protoeconomy (non-market protoeconomic consumptionarity)*. From this point of view protoeconomy has two basic special cases: market economy (market economic protoeconomy) and non-market protoeconomy (non-market protoeconomic consumptionarity). On its part the non-market protoeconomy (non-market protoeconomic consumptionarity) incorporates non-market economy (non-market economic protoeconomy) and non-economic protoeconomy (non-economic protoeconomic consumptionarity).

(c) The complementary form of market economy to consumptionarity is the *non-market consumptionarity*. From this point of view consumptionarity has two basic special cases: market economy (market economic protoeconomy) and non-market consumptionarity. On its part non-market consumptionarity incorporates non-market protoeconomy (non-market protoeconomic consumptionarity) and non-protoeconomic consumptionarity (demonstrating, that the non-market consumptionarity incorporates non-market economy, non-economic protoeconomy and non-protoeconomic consumptionarity).

(5) The **financial market economy** (just like *financial market economic protoeconomy* and like *developed market economy*) could be complemented up to market economy, to economy, to protoeconomy and to consumptionarity.

(a) The complementary form of financial market economy to market economy (to market economic protoeconomy) is *non-financial market economy (non-financial market economic protoeconomy)*. From this point of view market economy has two basic special cases: financial market economy (financial market economic protoeconomy) and non-financial market economy (non-financial market economic protoeconomy).

(b) The complementary form of financial market economy to economy (to economic protoeconomy) is *non-financial economy (non-financial economic protoeconomy)*. From this point of view economy has two basic special cases: financial market economy (financial market economic protoeconomy) and non-financial economy (non-financial economic protoeconomy). On its part non-financial economy (non-financial economic protoeconomy) incorporates non-financial market economy (non-financial market economic protoeconomy) and non-market economy (non-market economic protoeconomy).

(c) The complementary form of financial market economy to protoeconomy (to protoeconomic consumptionarity) is *non-financial protoeconomy (non-financial protoeconomic consumptionarity)*. From this point of view protoeconomy has two basic special cases: financial market economy (financial market economic protoeconomy) and non-financial protoeconomy (non-financial protoeconomic consumptionarity). On its part non-financial protoeconomy (non-financial protoeconomic consumptionarity) incorporates non-financial market economy (non-financial market economic protoeconomy), non-market economy (non-market economic protoeconomy) and non-economic protoeconomy (non-economic protoeconomic consumptionarity).

(d) The complementary form of financial market economy to consumptionarity is *non-financial consumptionarity*. From this point of view consumptionarity has two basic special cases: financial market economy (financial market economic protoeconomy) and non-financial consumptionarity. On its part non-financial consumptionarity incorporates non-financial protoeconomy (non-financial protoeconomic consumptionarity) and non-protoeconomic consumptionarity (showing that non-financial consumptionarity incorporates non-financial market economy, non-market economy, non-economic protoeconomy and non-protoeconomic consumptionarity).

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The highlights of this article are:

Firstly, a new concept is elaborated for the stages of material development of human society, differentiated according to the reproduction range of the sustaining sphere. The stages are (1) **non-protoeconomic consumptionarity** (savagery), continuing from the emergence of the human being to the appearance of protoeconomy (available gathering in view of satisfying the needs, whereas there was no production in the conventional sense of the word); (2) **non-economic**

protoeconomy, lasting from the emergence of protoeconomy to the appearance of economy (characterized by conscious overcoming of the insufficient resources by means of production, but the distribution of income inside the community was still not according to the ownership of wealth); (3) **non-market economy**, lasting from the onset of economy until the appearance of market economy (characterized by distribution of income within the community according to the ownership of wealth as a form of economic differentiation, but still without developed market relations among the communities); (4) **non-financial market economy**, continuing from the time of emergence of market economy till the appearance of financial market economy (illustrated by market relations on the grounds of socio division of labor, because the market exchange covers only the products and labor resources); (5) **financial market economy** (also called “developed market economy”, “economic civilization”), continuing up to now (the market exchange involves monetary aggregates as well). We witness the beginning of a *sixth stage*, which could be called **global financial market economy**. The reproduction criterion for historical chronological development and the already known criteria like Marx's formation criterion, the civilization criterion and other complement and intercept each other systematically.

Secondly, a straightforward distinction line is drawn between the concepts - protoeconomy and economy. Economy is a kind of protoeconomy, including by all means distribution of income according to the ownership of wealth (especially according to the ownership on the means of production), and protoeconomy is a wider category, including both economy (economic protoeconomy) and non-economic protoeconomy, where the income is distributed not according to the ownership of wealth, but according to other criteria. The non-economic and the economic protoeconomy do not only succeed each other in history, but they coexist at present (as a historical projection of the logic). In general, the five basic forms of the society (basic forms of the sustaining sphere) which are elaborated in this presentation – consumptionarity, protoeconomy, economy, market economy and financial market economy, have not only emerged consecutively, but at any time all the forms, which have already emerged, exist simultaneously, incorporated in each other on the principle of the Russian Matryoshka Dolls.

Thirdly, a new paradigm is proposed for setting up the chronological system of categories of the economic science applying the set theory approach. This is an assignment for rewriting the key economic theory textbooks. This approach enables the historical and logical arrangement of the economic subjects as a continuously developing and self-improving system. Meanwhile new blank fields emerge, challenging their research.³

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³ The ideas focused in this article are elaborated in details in *Mirkovich, K. Protoeconomy and Economy*. Sofia: University Publishing House “Economy”, 2009, in the press.