# Extending Free-Market Logic to Five Categories of Human Action

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**Abstract**

This paper advances three claims. First, the social context implies five, and plausibly only five, conceptually distinct categories of human action: private, public, political, foreign, and governing. Second, the free-market governing structure can, in abstract form, be extended across all five categories. Third, if this extension succeeds, familiar objections to market order will need to be reevaluated. A thought experiment identifies these five categories of human action by sequentially adding agents in different relations to a reference society. It is then shown that the logic of the free market—governance that constrains harmful conduct, preserves non-harmful agency and creates incentives for negotiated improvement—applies to all five. The resulting five-economy framework is summarized in the Five-Economy Table. This framework's accounting of the private, political, and foreign economies is descriptive. Its accounting of the public and governing economies is prescriptive, proposing a budget cap and continual reprioritization in the public economy and education about the framework itself in the governing economy. After exploring the implications for common criticisms of market order, the paper concludes by presenting this structure as the first step in a larger research program.

*Keywords:* free market, human action, public choice, constitutional political economy, intergenerational justice, five-economy framework

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## Extending Free-Market Logic to Five Categories of Human Action

In its abstract form, the free-market approach to governance seeks to minimize harm while otherwise refraining from interference with non-harmful conduct (Friedman, 1962; Hayek, 1960; Mill, 1859/1978; Nozick, 1974). Here, minimizing harm does not mean minimizing every bad consequence in the aggregate. It means constraining conduct that violates the operative boundary between harmful and non-harmful action. The substantive content of that boundary—whether stated in the language of rights, interests, domination, or another account—remains contestable (Feinberg, 1984). Once a society specifies the boundary, however, the structural logic is the same: constrain conduct on the harmful side while preserving agency on the non-harmful side.

To the extent that harmful conduct is constrained and non-harmful conduct is left free, actors are pressed away from seizure and toward uncoerced negotiation. Under such conditions, they are encouraged to *attempt* Pareto-improving exchange (Pareto, 1906/1971). The word attempt matters. Voluntary exchange does not guarantee improvement, eliminate error, or cure externalities; it creates a recurring process through which actors can search for arrangements they prefer to the status quo. Where institutions adequately constrain harm and preserve meaningful voluntariness, that process gives reason to expect cumulative gains on average over time. Proponents further argue that innovation may expand the Pareto frontier itself rather than merely move actors toward it (Romer, 1990; Schumpeter, 1942).

Critics of market order have long argued that even under favorable assumptions it remains vulnerable to unequal starting positions (Rawls, 1971), unequal bargaining power and domination (Anderson, 2017; Pettit, 1997), distributive unfairness (Cohen, 2009; Piketty, 2013/2014), externalities (Pigou, 1920), public-goods problems (Samuelson, 1954), commons

depletion (Hardin, 1968), monopoly (Tullock, 1967), informational asymmetry, and fraud (Akerlof, 1970), and exploitation under conditions of extreme vulnerability or weak agency (Satz, 2010). A further line of criticism holds that market reasoning is not merely imperfect but corrosive when extended into domains where it does not belong (Sandel, 2012; Walzer, 1983).

This paper makes three claims. First, the social context generates five, and plausibly only five, conceptually distinct categories of human action: private, public, political, foreign, and governing. Second, the free-market governing structure can, in abstract form, be extended across those five categories. Third, if this extension succeeds, familiar objections to market order will need to be reevaluated.

The second claim must be positioned carefully. Public choice theory has long carried economic analysis beyond the marketplace, and Buchanan's constitutional political economy goes further by treating politics as exchange and by distinguishing choices within rules from choices about rules (Brennan & Buchanan, 1985; Buchanan, 1975; Buchanan & Tullock, 1962; Munger, 2018). The five-economy framework therefore does not claim that no one has previously recognized exchange-like structure outside the private economy. Its proposed contribution is different: it supplies an *a priori* accounting of five categories of human action and applies the same sequence of structural questions across each of them. It also interprets public choice's methodological individualism differently in one specific way. Where public choice examines the decision-making of individuals acting within the public's decision process, this argument treats *the public* as an individual agent, whose action, freedom, priorities, and sustainability may be analyzed (List & Pettit, 2011). The projects overlap, but neither reduces to the other.

A second clarification concerns the relation between this argument and traditions that distinguish forms of activity, justice, or social relation. Walzer (1983) argues that distinct spheres of justice carry distinct distributive logics and that injustice consists largely in the intrusion of one sphere's goods into another. Arendt (1958) distinguishes labor, work, and action as modes of human activity. Fiske (1992) proposes four elementary forms of social relation. The present framework differs from each. It derives its categories from an *a priori* construction rather than historical, phenomenological, or empirical observation, and it argues that a single abstract governing logic applies across the categories. That does not mean that all five are literal markets or that the institutions within them are identical. The claim is that markets exemplify a more general logic of negotiated order: constrain harmful acquisition, preserve permissible agency, and require competing purposes to seek accommodation rather than prevail by seizure.

Section 1 uses a thought experiment to establish the potential for five, and plausibly only five, fundamental categories of human action. Section 2 extends the core elements of abstract free-market logic across those categories, defines the five-economy framework, and summarizes it in the Five-Economy Table. Section 3 examines why, if the extension succeeds, familiar objections to market order will need to be reevaluated, while acknowledging that a much deeper analysis is required. Section 4 concludes by presenting the argument as the beginning of a broader research project.

## 1 The Five Categories of Human Action

This section develops the paper’s first central claim: the *a priori* argument that the social context gives rise to five, and plausibly only five, conceptually distinct categories of human action—private, public, political, foreign, and governing.

These categories may appear intuitive, and the social sciences routinely employ classifications justified only by plausibility or usefulness. Why, then, undertake an *a priori* derivation that exposes every step to scrutiny? There are two reasons. First, *terra firma*: an *a priori* argument governed by a single classificatory principle provides firmer ground than plausibility alone for determining whether categories are fundamental, mutually distinct, and collectively exhaustive. Second, intellectual humility: making the derivation explicit exposes its assumptions and inferences to criticism, correction, and improvement. If this presentation is imperfect, a critic can identify and perhaps repair the precise failure; if the classification is incomplete, a critic can identify the missing relation. The argument proceeds by means of a thought experiment referred to here as the Genesis Experiment.

The Genesis Experiment belongs to the state-of-nature tradition (Hobbes, 1651/1994; Locke, 1689/1988; Nozick, 1974; Rousseau, 1762/1997), but differs in a way that matters for what it can show. Classical state-of-nature arguments begin with persons already in existence and ask how political institutions might arise or be justified. The Genesis Experiment begins before any human beings exist—a literal zero-person baseline. Agents are then added one at a time, and the same classificatory question is asked after every addition: does the newly added agent make a fundamentally new category of action possible?

The construction considers agents successively within the society, outside it, and in its future and past. These are not independent classificatory axes. They are successive positions within the single space of relations an agent may bear to one reference society at a given moment. The experiment brackets future agents at the outset so that their addition can later be tested by the same rule rather than assumed from the beginning.

Three clarifications are necessary.

First, the names assigned to the categories are not controlling. The experiment identifies conceptually distinct potentials for action; the names are secondary and serve expository purposes. That the same words may carry broader or narrower meanings elsewhere in the literature does not determine the present argument.

Second, the thought experiment identifies conceptual categories rather than sorting empirical acts. In practice, a single act may implicate several categories. An actor might use political influence to direct public resources toward private interests while also affecting foreign relations and long-term debt. Such complexity does not undermine the conceptual distinctions, just as mixed goods do not erase the distinction between private and public goods (Buchanan, 1965; Samuelson, 1954).

Third, all categories are defined from the point of view of the society in the experiment. Holding to a single point of view is essential to establishing the categories' fundamental status and their distinctness from one another. It does not make them mutually exclusive bins for empirical acts; as noted above, one act may implicate several categories.

With these clarifications in place, the experiment can begin.

### 1.1 Private Action

With only one person in the world, there is the potential for action born of that person's private thoughts: private action. It is called private not because it occurs out of view, but because, from the point of view of the society being constructed, this is the kind of action that would count as private within it. Although a society is not yet possible if only one person exists, the category is defined prospectively from the standpoint of the society later brought into view. When additional persons are introduced, subgroups may also engage in private action: firms,

households, clubs, and congregations. However, the first point at which the category of action can arise is nevertheless the first person.

### 1.2 Public Action

With the second person, private action remains possible, but a new possibility arises: the whole of society may act together as one. From the standpoint of the society being constructed, such action is the society's own action, the public's action, or simply public action. The two might pool resources, establish a fund separate from either person's private resources, and determine together how it will be used. What distinguishes public action is neither its beneficence nor the technical properties of its object, but the identity of the acting agent: the group as such (List & Pettit, 2011; Searle, 1995). Recognizing the public as an agent does not deny that individuals constitute it; it identifies a level of action that is lost if analysis stops with the separate choices of participants.

### 1.3 Political Action

With only two persons, every agreement is unanimous and every disagreement is a perfect tie. The pair can bargain, threaten, or coerce, but neither can form a coalition within the public against the other. Political pressure, in the technical sense used here, is therefore impossible. With the addition of a third person, however, two can outvote one. A coalition can form and exercise pressure on a nonconsenting minority. Wagner (2016, p. 536) captures this structural change by identifying three as the "magic number": the third person makes it possible to use power to benefit allies at another's expense. This creates the potential for political action distinct from private or public action. The novelty is not conflict as such, but coalitional action and non-unanimous collective decision. Public action expresses the action of the group as a whole; political action arises from division, coalition, and opposition within it.

### 1.4 Foreign Action

Adding a fourth or fifth person or, by extrapolation, countless people within the society appears to add complexity but no new fundamental category of human action. If the next person is added outside the society, however, a new category appears: foreign action. The distinction concerns the actor's relation to the reference society: the relevant actor is now external to it. *Foreign* therefore denotes a relation to the chosen society, not necessarily a relation between nation-states.

### 1.5 Governing Action

Any number of additional persons outside the society remain foreign from the reference society's point of view. With the experiment having considered any number of agents both inside and outside the society at the stipulated moment, one relation remains bracketed: the relation between the present society and persons in its future.

The bracket is now removed and one future person is introduced. Other categories of action acquire intergenerational depth but remain the categories they already were. Pollution caused by private action is still pollution caused by private action. Debt caused by public action is still debt caused by public action, and so on. What is newly exposed is the capacity of present persons to set the terms under which later action will occur for persons who cannot yet bargain, vote, or retaliate (Barry, 1978; González-Ricoy & Gosseries, 2016; Parfit, 1984). That term-setting potential is governing action.

It may be objected that present persons can choose rules even if no future person is considered. Certainly, they can utter a rule, agree on a constitution, or announce a procedure in the present. But with the future genuinely bracketed—not merely unknown, but analytically excluded—such acts have no later actors to govern and therefore no governing function. A rule

governs by structuring action beyond the instant of its adoption. The future person does not create the bare ability to formulate a rule; the future person completes the relation that makes rule-setting governing action rather than a present expression without an object. The familiar constitutional distinction between choices within rules and choices about rules therefore illuminates the category without replacing its temporal derivation (Brennan & Buchanan, 1985; Buchanan, 1975). Political action operates within a governing framework; governing action establishes or revises the terms under which later action will occur.

### 1.6 Concluding the Genesis Experiment

Additional future persons stand in the same temporal relation to the reference society as previous future persons, so no new category of action arises. Additional persons in the past add no new category of human action at the stipulated moment either because their effects persist simply as present conditions. The experiment has therefore considered all possible relations between agents and the reference society—including countless agents within the society, outside the society, in its future and in its past. The Genesis Experiment is therefore complete and identifies five, and plausibly only five, fundamental categories of human action: private, public, political, foreign, and governing.

However, the claim should be stated precisely. The existence of the five conceptually distinct potentials follows from the *a priori* construction. Their exhaustiveness is a plausibility claim because no formal proof is offered that the relational space has been exhaustively specified. Yet the claim is not merely an open-ended list. A proposed sixth category would need to identify a new relation an agent may bear to the reference society that creates a new potential for action. Adding the 43rd person within the society, for example, appears to add complexity, not a new potential category of action. Even if such a relation were found, it would merely

extend the framework rather than break it. Until then, five is the most plausible complete set generated by the experiment.

## 2 Extending Free-Market Logic Across Five Categories

Section 1 argued that the social context generates five, and plausibly only five, fundamental categories of human action. This section addresses the second claim: that the free-market governing structure can, in abstract form, be extended across them.

The minimum invariant structure is this. Governance constrains conduct classified as harmful while preserving a sphere of non-harmful agency. Protected actors are then pressed to seek what they want from other protected actors through uncoerced negotiation rather than seizure. Those negotiations constitute attempts at Pareto improvement. Repeated attempts, under a constraint that preserves the capacity of future actors, create a process capable of improvement over time. This is thinner than the full institutional structure of the traditional private marketplace, which may include money prices, profit and loss, entry, exit, and entrepreneurial discovery. It is thicker than the advice simply to do good. It identifies a specific economizing mechanism: scarcity and competing purposes are disciplined by protected agency, reciprocal adjustment, and the opportunity cost of obtaining agreement.

For purposes of this paper, an economy is a sphere of human action structured by institutions and incentives. A poorly structured economy creates incentives for seizure, evasion, or cost shifting. A well-structured economy constrains harm while leaving non-harmful acts unconstrained, thereby giving actors an incentive to attempt Pareto-improving trades. On that definition, an economy need not use money or pricing systems as seen in the private economy. The private market is the paradigmatic and most developed instance of the broader form, not the literal institutional template for every economy.

Nothing restricts this free-market logic to private action. If all five categories can serve as vectors of harm, each gives rise to corresponding questions of governance, freedom, negotiation, sustainability, and good. The resulting five-by-seven framework is shown in Table 1. The rows are the categories of human action identified by the Genesis Experiment; the columns are the recurring questions generated by the abstract logic.

### 2.1 The Empty Table

**Table 1**

*The Empty Five-Economy Table*

| Action | Harm | Governance | Freedom | Negotiation | Sustainability | Good |
|---|---|---|---|---|---|---|
| Private | | | | | | |
| Public | | | | | | |
| Political | | | | | | |
| Foreign | | | | | | |
| Governing | | | | | | |

*Note.* The table shows only headings so that the structure can be considered before any cell is filled.

Even in empty form, the table presents the paper's second claim that the structure of the free market can be extended to all five categories of human action.

Different societies may fill in the table in different ways. A very small society might govern private action through reputation and tradition, whereas a large one may implement codified law; Ostrom's (1990) work on commons governance illustrates how varied the institutional content of one cell may be. The fact that different societies may choose to draw the line of harm differently or build institutions differently does not undermine the five-economy structure itself.

Still, if the framework is to become more than an empty structure, some provisional account of its cells must be offered. The next section presents one provisional set of entries. This marks a methodological shift. The argument so far has been structural and conditional. What follows is more contestable: it asks how liberal democracy already fills some cells and how the remaining cells might plausibly be filled. The limited burden is plausibility, not a comprehensive defense of every label or institution.

## 2.2 Viewing Liberal Democracy Through the Five-Economy Framework

To illustrate the framework's descriptive and prescriptive potential, Table 2 is filled using liberal democracy as the initial point of reference. The discussion begins with the private, political, and foreign economies where the pattern is most descriptive before turning to the public and governing economies where the pattern is most prescriptive.

*The discussion proceeds at an intentionally high level of compression because the purpose is to demonstrate the research program, not to complete it.*

### *2.2.1 The Private Economy*

In the private economy, theft is a representative harm, and the rule of law is the corresponding governing response (Hayek, 1960). When private harm is constrained without restricting non-harmful action, economic freedom directs private actors toward negotiation over prices. Within environmental limits, repeated attempts at mutually preferable exchanges plausibly support increasing prosperity on average over time.

*Price* is used here in its broad economic sense: the consideration or opportunity cost an actor must accept to obtain another actor's agreement, whether monetary or nonmonetary (Buchanan, 1969). When one private actor seeks something from another—whether an individual, a family, a firm, or a corporation—the parties must negotiate terms if the transfer is to

remain voluntary: time, effort, reciprocity, commitment, money, or some combination. This does not imply that every good should be commodified; it means only that voluntary coordination has terms. The relevant form of sustainability is environmental because private production and consumption are principal channels through which present activity imposes physical costs on future persons (Hardin, 1968; Pigou, 1920).

One clarification is necessary. Economic freedom, as used here, includes private actors' freedom to think, inquire, value, believe, and revise their beliefs—not merely their freedom to trade. This "intellectual freedom" is not a peer category of freedom, but rather a condition of agency across all five categories.

### *2.2.2 The Political Economy*

In the political economy, oppression is a representative harm, and checks and balances are the corresponding governing response (Hamilton et al., 1788/2003; Montesquieu, 1748/1989). When political harm is constrained, political freedom directs factions toward negotiation over compromises. Under conditions of institutional sustainability, repeated attempts at better compromises plausibly support increasing institutional maturity on average over time.

Institutional maturity is defined here as the increasing institutional capacity to accommodate plural interests under equal basic rights, settle disputes without oppression, and transfer power without collapse. The abolition of gross legal exclusions and the continuing extension of equal civil and political standing illustrate that progress over time is possible even when each moment's compromise is incomplete. As larger injustices recede, political attention can move to narrower harms; increasing intensity of disagreement therefore does not by itself prove declining progress. Institutional sustainability is the capacity of political arrangements to

absorb conflict and sustain peaceful transfers of power (Levitsky & Ziblatt, 2018; North, 1990; Tilly, 2007).

### *2.2.3 The Foreign-Affairs Economy*

In the foreign economy, invasion and lesser offenses are representative harms, and national defense is the corresponding governing response. When foreign harm is constrained without infringing on foreign actors' ability to act in non-harmful ways, the reference society enjoys national freedom—freedom as a nation—and is directed toward negotiation over treaties. Under conditions of geopolitical sustainability, repeated negotiated accommodations plausibly support increasing international harmony on average over time.

International institutions rely on bargaining, reciprocity, credible commitment, sanctions, and repeated interaction under anarchy (Keohane, 1984). Those mechanisms are not identical to markets, but they plausibly occupy the negotiation position in the extended structure. Geopolitical sustainability means the preservation of a workable order across time, while international harmony names a direction of improvement anticipated by Kant's account of perpetual peace and the literature it inspired (Doyle, 1983; Kant, 1795/1991). The claim is not that harmony will be complete or inevitable, only that constrained aggression and repeated negotiated accommodation can move relations in that direction.

### *2.2.4 The Public Economy*

The argument now enters its prescriptive phase, meaning its findings are both more novel and more contestable. In the public economy, waste, fraud, abuse, and excessive debt are representative harms, and Cap and Prioritize is the corresponding prescriptive governing response. When those harms are constrained, budgetary freedom directs conflict over spending toward negotiation over priorities. Under conditions of fiscal sustainability, repeated attempts at

Pareto-improving priority exchanges plausibly support closer alignment between public spending and the public's chosen purpose on average over time.

Public choice theory has analyzed incentives that can produce these harms, including concentrated benefits with dispersed costs (Olson, 1965), budget-maximizing bureaucracy (Niskanen, 1971), rent-seeking (Krueger, 1974; Tullock, 1967), and the asymmetry between the political rewards of spending and the costs of taxation (Buchanan & Wagner, 1977). The U.S. federal government's long-term fiscal path is officially described as unsustainable (U.S. Government Accountability Office, 2026). This framework therefore implies a need for an institution that constrains fiscal harm while preserving the public's agency to order its own priorities.

Hence, the candidate reform is Cap and Prioritize: the cap addresses the harm of debt, while continual reprioritization addresses the harms of waste, fraud, and abuse. The framework intentionally leaves the cap's measure, strictness, escape provisions, and institutional form, as well as the method and content of prioritization, open to continued debate.

Prioritizing requires public commitments to be ranked from top to bottom to some meaningful degree. Oregon's Medicaid experience shows that a public body can at least rank health services and fund them to a line determined by available resources (Bodenheimer, 1997; Oberlander, 2007; Oregon Health Authority, 2018). How to scale that mechanism is a central question for the research program.

Actual prioritization, the ranking of spending from top to bottom, also reveals a public-economy pricing mechanism. In a capped and prioritized budget, the relevant public price of adding or expanding one commitment is its opportunity cost: the value of the lower-ranked commitment or commitments displaced (Buchanan, 1969). This is not a decentralized market

price with all the informational properties of decentralized exchange, but it is a real opportunity cost that only prioritization makes visible. Ordinary incremental budgeting often obscures that price by evaluating each program mainly against its own prior appropriation rather than every alternative claim (Wildavsky, 1964, pp. 13–16).

This pricing mechanism creates a public form of creative destruction (Schumpeter, 1942). Once the budget cap is binding, new commitments placed anywhere above the funding line displace lower-ranked commitments. Those displaced need not be wasteful or ineffective; they may be worthwhile, yet judged less important than what replaces them. Over time, increasingly valuable commitments can fall below the funding line because the public judges the alternatives more important still. Negotiation therefore concerns whether each proposed addition is worth what must be given up. Repeated comparison and replacement should produce continuing improvement on average over time. This is the same dynamic of entry and displacement that operates in the private economy, now expressed through the public's negotiation over priorities.

There is no established name for the combination of freedom from waste, fraud, abuse, and excessive debt with the public's effective capacity to prioritize and reprioritize its commitments. This paper calls that condition *budgetary freedom*. As in the other economies, the mechanism creates continuing incentives for improvement; it does not guarantee it. Neither budget caps nor prioritization is new (Cordes et al., 2015; Oregon Health Authority, 2018). The novelty lies in elevating Cap and Prioritize from a mere policy proposal to the public-economy counterpart to the rule of law, checks and balances, and national defense—and in treating it as an iterative process of improvement rather than a one-time exercise in efficient spending.

In general terms, the benefit of continual improvement in the public economy is ever-closer alignment between public spending and the public's chosen purpose, with each society

remaining free to define that purpose differently. The framework does not determine the content of that purpose *a priori*. The practical realities of politics nevertheless permit a qualified prediction about its likely direction. Once the essential expenditures needed to operate government and sustain its other functions have been funded, I suspect the transparency of a prioritized budget will make it unlikely that those with less need will consistently prevail over those with greater need. If that assumption is correct, repeated exchanges of priorities will, over time, exert gentle but persistent pressure in favor of proposals that most effectively help those in greatest need. In short, the expected practical benefit is an increasingly effective social safety net.

### *2.2.5 The Governing Economy*

In the governing economy, misgovernance—governing too little (failing to constrain harm) or too much (infringing on the freedom to act)—in any of the five economies is the representative harm, and the education of the public specifically about this five-economy framework is the corresponding prescriptive governing response. Education in these fundamentals should reduce the need for repeatedly relitigating the fundamentals, thus encouraging agents to negotiate the details the framework intentionally leaves open. Under conditions of constitutional sustainability, such negotiation should improve governance across all five economies over time, directing efforts toward maximizing their respective benefits and thereby producing a meta-benefit—a better future.

Ideological freedom has both negative and positive dimensions. Negatively, it is freedom from governing ideologies that violate the boundary this framework draws by either governing too little, thereby allowing harm to run unchecked, or by governing too much, thereby constraining non-harmful action. Positively, it is the capacity to negotiate the details free of the

influence of unsettled fundamental questions. That the governing row is self-applying is not circular reasoning but rather indicative of a meta-relationship. The five-economy framework treats public understanding of the framework as a component of good governing. That is a meta-level claim, not a circular proof, and five-economy education does not require agreement with every proposed entry in the table. Better governing requires a public capable of locating its disagreements within the structure it is using. Constitutional sustainability means the durability and revisability of this understanding across generations.

**Table 2**

*Liberal Democracy Viewed Through the Five-Economy Table*

| Action | Harm | Governance | Freedom | Negotiation | Sustainability | Good |
|---|---|---|---|---|---|---|
| Private | Theft | Rule of Law | Economic | Prices | Environmental | Prosperity |
| Public | Waste | Cap and Prioritize | Budgetary | Priorities | Fiscal | Safety Net |
| Political | Oppression | Checks and Balances | Political | Compromises | Institutional | Maturity |
| Foreign | Invasion | Defense | National | Treaties | Geopolitical | Harmony |
| Governing | Misgovernance | Five-Economy Education | Ideological | Details | Constitutional | Better Future |

Table 2 is explicitly not offered as a completed theory of five economies. It demonstrates only that the structure can be filled plausibly and that doing so generates identifiable research questions. The strongest claims concern the categories and the recurring logic; the particular entries remain provisional, descriptive in part, and prescriptive in part.

### 2.3 Degrees of Confidence

Three claims have been advanced with different degrees of confidence. The existence of five conceptually distinct categories of human action is advanced as an *a priori* result of the construction. Their exhaustiveness is advanced as a strong plausibility claim. The extension of

free-market logic is a structural argument, conditional on the abstract characterization given at the outset. The filling of Table 2 is provisional, reflecting only one of many potentials, and offered chiefly to show that the structure can be filled coherently.

A great deal is intentionally left open. The framework does not attempt to deduce the substantive content of harm, the complete theory of rights that would define it, the strictness or design of a fiscal cap, the social-choice rule for ranking priorities, or the curriculum and institutions of five-economy education. This silence is not an accidental gap. It marks the boundary of what the structural argument can establish without importing additional normative and empirical premises. When a specific proposal is advanced, the inference therefore has the form: The five-economy structure plus additional premises yields an institutional recommendation. A theory that knows where its deduction ends is stronger than one that disguises contested premises as consequences of structure alone.

If the five categories are exhaustive, the framework is logically comprehensive with respect to external effects. It does not make externalities disappear, and it does not decide in advance which effects count as impermissible harm. It does prevent them from remaining external to the framework. Any cost imposed by action must arise through one or more of the five categories and can therefore be located for debate in the corresponding economy. Pollution may be a first-order failure to govern private action; public misunderstanding of that failure may also be a second-order failure of governing action. The possibility of overlap is a feature of a complete framework, not evidence of a missing sixth domain.

**2.4 On Completeness**

This framework aspires to be logically complete from a single point of view—that of the chosen reference society. The five categories of action represent all human action from the

reference society's point of view, and the columns attempt to capture all human potential from that point of view—from maximum harm to maximum good, along with the mechanisms to maximize that good.

However, to capture the full complexity of human society, the framework must be applied fractally—to all points of view at all scales. When the framework is applied to the point of view of humanity as a whole, only four of the five categories of action apply, as there is no foreign action from that point of view. If applied to any group of three or more persons short of all humanity, the full framework applies. When applied to a group of two persons, political action is absent; when applied to an individual, only three categories remain relevant: (1) the individual's own action, the equivalent of society's own action—namely, public action; (2) foreign action; and (3) governing action. If the argument for logical completeness holds for any one point of view, and if the framework is applied to all points of view, the full complexity of human society is captured.

## 3 Reconsidering Criticisms of Market Order

We now reach the third and final major claim of this paper: If this extension succeeds, familiar criticisms of market order will need to be reevaluated. The criticisms do not disappear. The narrower point is that these criticisms have been framed within an incomplete institutional map in which the free-market governing structure was applied primarily to only three of the five categories of human action—private, political, and foreign.

Some criticisms emphasize monopoly, externalities, public-goods problems, informational distortions, and sustainability (Akerlof, 1970; Hardin, 1968; Pigou, 1920; Samuelson, 1954). Others emphasize unequal starting positions, unequal bargaining power, distributive unfairness, domination, workplace hierarchy, and the moral limits of markets

(Anderson, 2017; Cohen, 2009; Pettit, 1997; Rawls, 1971; Sandel, 2012; Satz, 2010). These writers plainly locate genuine concerns within private relations; the five-economy framework does not erase that location. It asks whether the causes, magnitude, persistence, or remedies of some harms also implicate failures in other rows.

This section illustrates why these criticisms warrant reassessment in light of the five-economy framework by *outlining* how the framework bears on several of them—but only several. It further makes no claim to resolve any of them.

### 3.1 Social Justice / Social Injustice

The five-economy framework offers a new theory of the origin and remediation of social injustice. If the governing logic that constrains harm, preserves non-harmful agency, and creates incentives for negotiated improvement is successfully applied in only three of the five economies, those three should improve over time while the two neglected economies remain comparatively disordered. The predictable result is a society that is remarkably successful in some respects yet persistently broken in others. Those broken parts of society would, reasonably, look unjust. It would look like an unjust society. It would look like social injustice. This account suggests that the root cause of social injustice is neither a lack of justice that must be forced onto society nor too much freedom, but freedom incompletely applied. Further constraining freedom in any of the economies would therefore be expected to worsen both the symptoms and the structural cause.

### 3.2 Unequal Power

The objection from unequal power begins with a condition no institutional order can eliminate. Power is unequal under every possible governing arrangement. The relevant question is therefore not whether some actors possess more power than others, but which governing

structure gives all actors—including the powerful—the best incentives. Governing beyond the boundary of harm increases the value of controlling government and thereby attracts money, corruption, and actors most willing to exploit coercive power. Governing short of that boundary permits actors to retain what they obtain through predation. Only the free-market governing structure occupies the golden mean: it constrains harmful acquisition while preserving non-harmful agency, thereby requiring actors to obtain what they want through negotiation and giving even the powerful an incentive to consider the needs and purposes of others.

Before the five-economy framework, this defense could be dismissed as a plea to leave failures elsewhere unaddressed. The five-economy framework removes that premise. The alternative to overgoverning one economy is not neglecting the others, but governing all five according to the same economizing logic. Taken together, the five economies constrain the full range of human harm while giving the full range of human action an incentive to seek improvement through negotiated adjustment. Any departure from that governing principle must govern either too little, leaving harmful acquisition undisciplined, or too much, suppressing non-harmful agency and redirecting effort toward control of government. The five-economy framework therefore does not merely defend freedom against intervention; it offers a comprehensive structure for economizing human action as a whole and advancing the corresponding goods of all five economies over time.

### 3.3 Sustainability and Externalities

Sustainability and externalities illustrate the value of location within a complete map. The physical cost of pollution is initially a candidate harm arising through private production or consumption and belongs in the private row. The fiscal cost of present commitments to future taxpayers belongs in the public row. A public's failure to understand or govern either may

additionally implicate the governing row. Environmental and fiscal sustainability are therefore not rival concerns but parallel intertemporal constraints in different economies. The framework internalizes both for analysis while leaving their substantive resolution to debate within the appropriate rows. Arguably, the fractal application of the five-economy framework internalizes all externalities as a consequence of logical completeness.

### 3.4 A Shared Vocabulary

The framework may provide a shared structural vocabulary for all disagreements and may also suggest new solutions to old conflicts. The aspiration resembles the search for terms of justification that adherents of opposed doctrines can nonetheless assess (Gaus, 2011; Rawls, 1993). The framework would not eliminate reasonable pluralism or make a society's preference ordering automatically coherent. It would instead clarify whether a dispute concerns the definition of harm, the design of governance, the bearer of freedom, the terms of negotiation, the relevant sustainability constraint, or the direction of good in a particular row. That relocation alone can make disagreement more tractable.

### 3.5 Commodification

The criticism of commodification deserves separate attention. Walzer (1983) and Sandel (2012) argue that market reasoning can corrupt goods and relationships. In the present framework, such concerns can arise even within a single category. The framework can accommodate that concern. Its extended logic requires uncoerced adjustment; it does not require that every adjustment involve money, sale, or impersonal valuation. The broad economic use of price identifies the terms or sacrifice needed for agreement, not a command to sell. Paid friendship or commercialized parenthood may therefore be criticized within the private row if the form of exchange damages the good, violates the operative conception of harm, or undermines

meaningful voluntariness. Selling votes presents an additional problem: it converts political power into a private commodity and crosses categories. Extending negotiated-order logic across the categories is thus distinct from extending the institutions of the private market across them.

### 3.6 Limits of the Claim

These suggestions remain preliminary. The paper does not claim to resolve the criticisms of market order, only to show why their usual framing may be incomplete once the same institutional questions are asked across five categories. A full reassessment would require the further work implied by the framework: sustained theories of public, political, foreign, and governing action comparable in ambition to existing theories of private economic action. That work lies beyond this paper but follows directly from its proposed research program.

## 4 Conclusion

If the core arguments hold, the familiar market is the most developed recognized instance of a more general governing structure for economizing human action: constrain harmful acquisition, preserve permissible agency, and channel competing purposes toward negotiated adjustment rather than seizure. In abstract form, that structure can be extended across all five categories without turning each into a literal market.

The Genesis Experiment supplies the architecture by adding agents one at a time inside a reference society, outside it, and in its future. It thereby identifies five, and plausibly only five, categories. The Five-Economy Table asks the same six questions of each: harm, governance, freedom, negotiation, sustainability, and good.

The governing category has special weight because it sets the terms of later action. Its proposed response, five-economy education, is intentionally reflexive: a society cannot reliably govern five economies it cannot distinguish. Ideological freedom is the capacity to understand

the structure, contest its details, revise its institutions, and pursue improvement without collapsing one domain into another.

This paper opens rather than completes the argument. Its immediate claim is that the five-economy structure is coherent, non-arbitrary, and generative; its larger test is whether the research program can develop the institutional detail needed to govern each economy more effectively over time.

## Statements and Declarations

All arguments in this paper are the author's own.

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