

SOCIAL AND ECONOMIC CONTENT OF PROPERTY IN MOVABLE THINGS

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ABSTRACT

Introducing an idea about content of the individual property, society and its authorities restrict in their laws or regulate the activity related to ownership, use or disposition, as well as determine the "individual property institute". By regulating the ownership, the authorities administer the conditions of the property occurrence, recognition, protection and preservation of the things and rights thereto. By regulating the use, the authorities administer the conditions of satisfying the owner's needs without prejudice to any rights and freedoms of other citizens. By regulating the disposition, the authorities administer the conditions of transfer of rights to a thing to other persons, conditions of the relationship between the owner and other persons, and legal succession.

The content of property should be presented using a simulation method. In this case, the content of property will be characterized not from the standpoint of the property administration process, but from the standpoint of the economic result of the property administration.

This work introduces a set of model concepts of the sole person's power over a movable designed to anticipate and to achieve the future desired results of this power in order to satisfy the owner's needs, as well as to make the market valuation of such power-holding possibilities (profitability of property).

Keywords : *property, economic criterion, benefit and burden of property, profitability.*

INTRODUCTION

Purpose of work - development of a set of model concepts intended to predict and to perform economic assessment of future results of assignment and administration of the sole property right to a thing, which are confirmed by the experience.

Theory means a set of model concepts, which allows to make scientific prediction of future results of the use of knowledge and such scientific prediction is confirmed by experience. In the political theories the prediction is first carried out at a qualitative level ("at the goal level") and only then at a semiquantitative ("more, less, range of values") and quantitative level within the adequacy of the models to the experience.

By its function, nature and results of the application the proposed theory is contrary to the Ronald Coase economic theory of property right. Variety of subjective interpretations of the term "property" is not discussed in reference books, textbooks and articles. Analysis of these judgments is presented in work.

METHODS

Scientifically and methodologically the study was based on the laws and other regulations, economic theory works of domestic and foreign scientists, as well as economics and institutional economics works.

Works of various authors are devoted to the study of property issues. The economic theory believes that the property is not a monopolistic activity, but industrial or social and economic relations over a thing. However, the authors first consider the property to be a monopolistic activity and then the relations among people arising out of the marketing of a thing. It occurs as a result of relations, but it is not the relations. Just like a job, it can be characterized by a result of activity, its volume, quality, timing, price of result, etc.

Different methods were used during studying the work: logical analysis, systematic approach, method of expert evaluations, retrospective analysis and other.

RESULTS

The concept of property includes all activities that a person can and is able to carry out while ruling over a thing and trying to satisfy his/her needs through such thing. A thing can be different, and it can have different features. A person can have various imagination and creativity when exercising his/her power. In the current circumstances it is difficult or impossible to strictly define all types of power, which an owner can exercise with his/her thing, as well as its features and results.

For the purposes of state regulation of the owner's actions, it is necessary to characterize a property: to this end, a concept about the content of property is introduced.

Different types of property are characterized by different content. There are various attempts and proposals of different persons concerning characteristics of the content of property. Thus, the "bundle of property right" concepts are popular among economists. This work uses model approach of the property content concept.

The result of the property administration (planned and/or actual) can be characterized by a price, which enables to introduce the economic and social and economic content of property.

This is not only the full property that can be characterized by a price but also an easement or property right (right of lease, use, economic management, etc.).

Thus, the planned property administration result can be described through the value:

$$P_p = P_{ben} + P_{bur}, \quad (1)$$

where P_{ben} and P_{bur} means the price of the planned property's benefit and burden, respectively.

In this case it is useful to use the concept of the "planned property's profitability» R , i.e. planned feasibility:

$$R = P_{ben}/P_{bur} \quad (2)$$

According to the plan, a property is profitable, if $R > 1.0$.

Values of the planned profitability of citizens and other participants of the market economy; planned and actual property's benefit and burden values relationship; values of these indicators for different economic sectors and various social groups of citizens, etc. should be subject to the state regulation.

DISCUSSION

According to its purpose, a complex of concepts is introduced sequentially and gradually ("step by step").

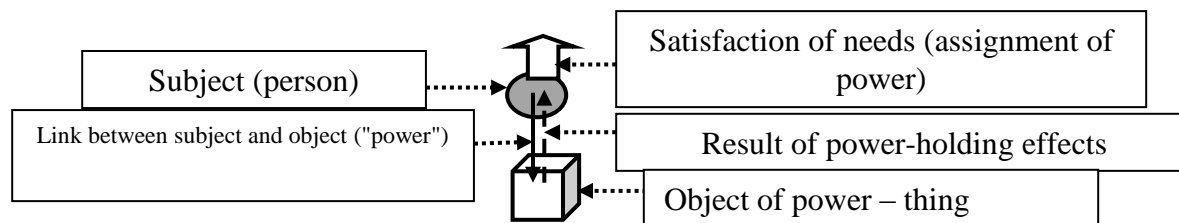
Step 1. Basic concepts about the "models", modeling and scientific prediction.

Model means a simplified image of a system, company or process, which is, in its basic properties, adequate to the experience. With the development of model concepts, a growing number of its properties appears to be appropriate to the experience, and the prediction more varied and accurate. Every model includes structural and functional elements and links between them. The properties of these elements and links characterize the microscopic and macroscopic model's properties. Prediction based on such modeling is considered correct if it is confirmed by the experience.

Step 2. Modeling of the initial concepts about nature of property.

Driven by the experience, that the system, in which the property is administered, includes a "subject", "object", "link between them", and that its creation is subject to the subject's desire to satisfy his/her needs due to the domination over an object. Given these circumstances and the purpose of the work, a model shown in Figure 1 will be designed.

Figure 1
MODEL OF SYSTEM, IN WHICH THE PROPERTY IS ADMINISTERED



The future desired result of any power-holding activity, which according to the subject's plan should lead to the satisfaction of his needs, is considered to be the aim of power. The assignment is deemed to be the desired human body's reaction on the use of the result of power.

The power may be full or limited, termless or term, exclusive (monopolistic) or joint with someone. If the power object is a movable thing, power over it can spread to the whole thing as a single and indivisible object, including its surface and content. In view of these circumstances and features of the model, initial property concept of a movable thing should be introduced.

The property (of a thing) is a complete, termless and monopolistic power of a person (owner) over a thing, which is established and administered to satisfy the owner's needs in real time or in the future through such thing.

Power means the subject's domination over any object or another subject, which leads to the opportunity to satisfy owner's needs through the power object in real time or in the future. Property is a kind of power in relation to an object (thing) and specificity of its features.

Step 3. Initial model concepts about a "property right".

The property may be administered in accordance with the state law or contrary to it. Taking this into account, the concept of property right should be introduced.

Property right of a thing ("legal property") means a legitimate opportunity of appropriation, exercise, assignment or termination of property in such thing.

Step 4. General concept about property right content.

There are different opinions about a property right content. Model concept about the content of the specified law should be introduced using a model concept about the property.

Property right content means a single set of legal owner's power-holding measures and actions unified through cause and effect relationships, which allows to reveal the connection between appropriation of a thing (and property right to it) satisfaction of owner's needs through the power over such thing, and to characterize (and evaluate) such satisfaction.

Step 5. Initial concepts about content of the sole property in movable thing and detailing the tasks of the work.

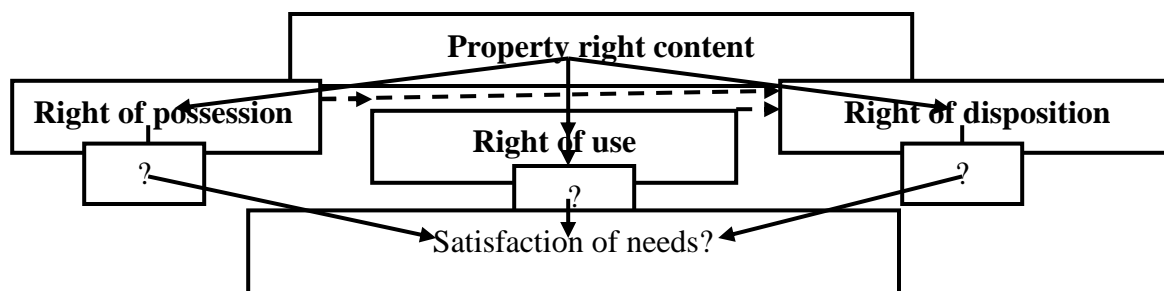
Any conscious power represents a complex of measures and actions, which is necessary and sufficient for an owner to achieve the ultimate (strategic) goal and satisfy his/her needs through an object and power over it. Therefore, when introducing certain model concepts about the property right content, it is necessary to show the full range of such measures and actions necessary for predicting and evaluating future results of the appropriation and administration of the property confirmed by experience.

Such a complex (and property right content) starts with types of activity that are conditionally named:

- assignment and possession of a thing, including guard, repair and protection of a thing and power over it for possible satisfaction of any needs in the future (owner's function - right of possession to a thing);
- use of a thing for possible satisfaction of any needs in real time (right of use to a thing), including use of a thing as food, clothing, etc.;
- disposition of a thing for possible satisfaction of other persons' needs (right of disposition), including sale, etc.

Three specified generalized types of the owner's functions vary by their purpose. In order to turn an "opportunity" into a reality and to satisfy the owner's needs, it is necessary to implement a complex of other measures and actions, which provides a link of the above functions to the final result of exercising the power. This fact is shown in the model in Figure 2.

Figure 2
MODEL OF PROPERTY RIGHT CONTENT IN THE INITIAL PART NEEDED TO BE DISCLOSED



The figure specifies the names of types of owner's power-holding activity in the initial stage of decoding of its content. Further development of the concepts about the property right content subordinated to satisfying the owner's needs remains undetermined (indicated in the figure with question marks). The task of this work is to eliminate this uncertainty.

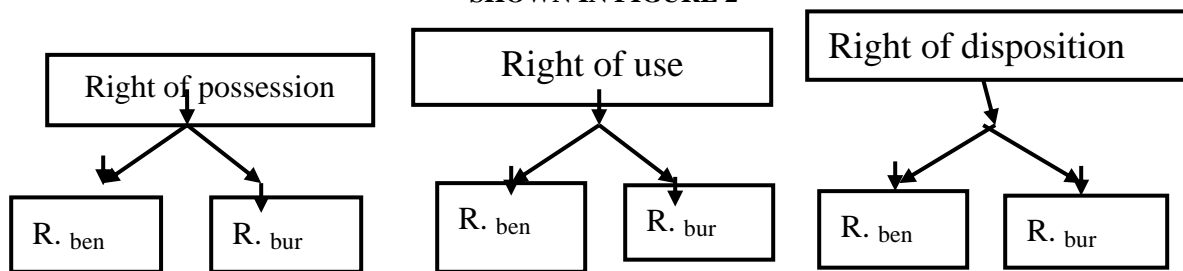
Step 6. Introduction of qualitative (target) characteristics of future result of the appropriation and administration of property in a thing.

For further development of any concepts about property right content, a generalized concept of satisfaction and dissatisfaction of needs should be introduced. Satisfaction of any owner's natural and legal needs will be conditionally called using the known term - the property benefit. Any obstacles in acquisition of benefit, any damage caused to an owner or any harm done to him/her arising as a result of administration of property, will be conditionally called the property burden.

Given the purpose and focus of the property, a concept will be introduced: about owner's right to satisfaction of his/her needs through power over a thing (right to benefit); about owner's right to self-determination of his/her measures and actions, which results may, in his/her opinion, lead to the property benefit and minimization or elimination of the property burden (right to choice of power target).

According to these model concepts, result of any activity, which is part of any sample of the rights set forth in Figure 2, will be divided into two subtypes: result that can lead to any benefit (R._{ben}) and result that can lead to any burden (R._{bur}). For example, during their storage the foodstuffs can retain their quality or spoil.

Figure 3
SECOND LEVEL OF DEVELOPMENT OF PROPERTY CONTENT CONCEPTS FOR THE MODEL SHOWN IN FIGURE 2

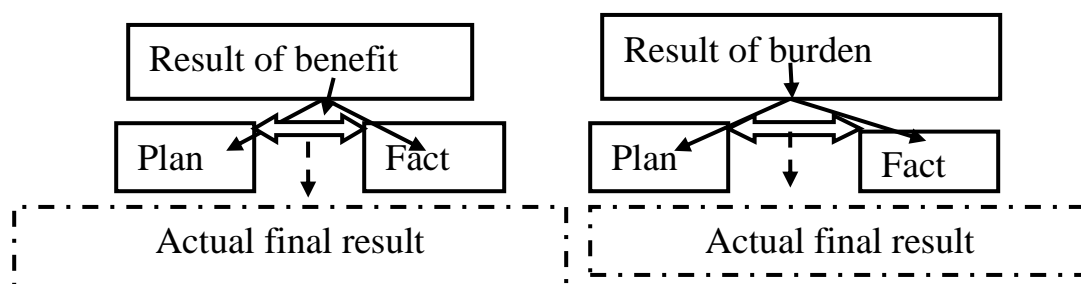


Arrows in Figure 3 characterize the presence and direction of the cause and effect relationships.

Step 7. Economic owner's right to plan future results of implementation of his/her power over a thing and corresponding level of his/her property right.

Each owner is believed to have the right to plan his/her actions and actions at tending to the property benefit and at minimizing the risk, types and characteristics of the property burden.

Figure 4
FRAGMENT OF PROPERTY RIGHT CONTENT MODEL RELATED TO A THING



In the figure the process of coincidence of the fact and plan is conditionally hidden behind a bi-directional hollow arrow connecting "Plan" and "Fact". To what extent an owner will

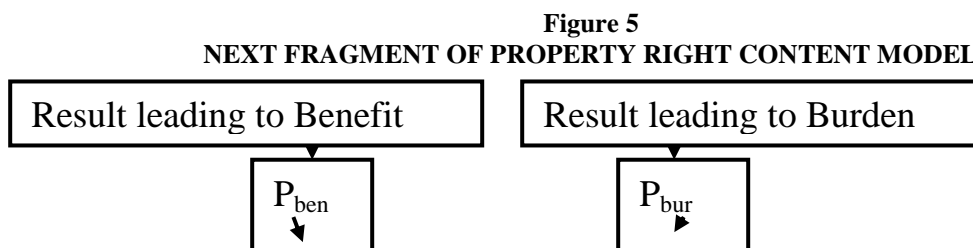
be able to eliminate the "risk and fear burden" and to achieve the desired real result - the owner's experience will determine, but the presence of his/her right to self-satisfaction of needs through the property has been taken into account in the model.

Step 8. Transition from qualitative to quantitative assessment of results of property administration.

When planning any results of appropriation, administration, assignment and termination of property, it is required to move from the poorly defined qualitative orientation (to the benefit and burden minimization) to the quantitative or semi-quantitative assessment of the desired and actual results of power in the market conditions.

Let us assume that in planning his/her power-holding measures and actions as part of "ownership", "use" and "disposition" of a thing, an owner is entitled to use the market conditions for planning the results of appropriation, administration, assignment and termination of power over a thing taking in account their price equivalent.

Let us assume for simplicity that each right holder assesses the possible benefits and burdens from the standpoint of his/her planning and his/her experience. It should be emphasized that the owner's activity result is assessed, which, in owner's opinion, can and should lead to the benefit rather than the benefit characteristics is assessed. Then the next level of "decoding" the property right content can be represented as depicted in Figure 5.



The following designations are used in the figure: P_{ben} means market price of the property law, which allows to receive the benefit (Ben.); P_{bur} means market valuation of the property law encumbrances (Bur.).

Step 9. Total ("balance") economic assessment of the property right appropriation and implementation.

Using the concept about price characteristics of power results, some of which lead to benefit and other - to burden, relative characteristics of "feasibility" ("profitability", R) of property appropriation, administration or termination should be introduced: $R = \sum P_{ben} / \sum P_{bur}$, where $\sum P_{ben}$ means the total price of all conceivable (planned) owner's activity results on all types of property law related a thing, which are a part of the content and which, in his/her opinion, lead to his/her desired benefit; $\sum P_{bur}$ means the aggregate price of all types of burden, including the tax one, in the exercise by the owner of the same functions (types of activity).

If, for example, $R > 1.0$, the property right will be (conventionally) considered "profitable", if $R < 1.0$, the property right will be considered unprofitable (impractical and burdensome).

It is believed that the higher the ratio $R_0 = (\sum P_{ben} - \sum P_{bur}) / \sum U_{op}$ is; the more profitable will be the property appropriation and administration of a certain thing for the owner.

If, for example, the value $\sum P_{bur}$ of essential movable goods for the citizens exceeds their average per capita income, the property in such goods for such citizens will be "economically

prohibited." The proposed approach makes it possible to introduce and characterize the "availability barrier of property right" to movable things and to use this concept as part of the state legislative regulation of "property relations" (and "right to life").

CONCLUSIONS

A set of model concepts intended to predict and to perform economic assessment of future results of assignment and implementation of the sole property right to a thing, which are confirmed by the experience, has been developed in the study.

Applicability of the developed theory consists in the individual's sole power over a movable thing (field of property law). Characteristics of the results of such power are limited to the "economic criteria" and "scope of consumption." Other criteria are not taken into account. The concepts of common property and its organizational and administrative, and legal specifics, as well as the conditions of the term spread to other power objects are not considered.

SUMMARY

For different social classes of citizens some property objects may not be available due to the fact that the property in relevant goods would be "unprofitable" for them. The greater number of goods is unavailable for any social class of citizens, the more impoverished ("ostracized") would be the people belonging to such social class.

These types of state regulation describe social and economic content of the sole property at the level of the national legislation.

Thus, the complex of model concepts is suggested; it allows to introduce a feasibility concept for assignment and implementation of the property right to movable things. It is believed to be successfully used in the contractual relations and in the analysis and design of state laws.

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