

# Problems of Economic Modeling of Property Content for State Regulation

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**Abstract:** *Different types of property are characterized by different content. It is impossible to characterize all types of property with the same content. There are different attempts and proposals of different persons on the characterization of the property content. For example, subjective perceptions of the "bundle of property" are common among economists. On the contrary, one of the objective ideas about the property content, but only about single property, is widely used in the legal and other political literature.*

*By introducing the concept of sole property as a "right of ownership, use and disposal", society and its authorities limit or regulate these activities, define "institute of sole property" by their laws. By regulating ownership, the authorities regulate the conditions of property occurrence, its recognition, its protection, security, safety of things and rights to it. By regulating the use, the authorities regulate the conditions of satisfaction of their needs by the owners without prejudice to the rights and freedoms of other citizens. By regulating the order, the authorities regulate the conditions of transferring the rights to the property to other persons, the conditions of relations between the owner and other persons, the succession.*

*Therefore, the authors of this paper introduce ideas about modeling the property content, intended to regulate the owner's actions in order to meet his/her needs and tools to influence the socio-economic content of the property.*

**Keywords:** *property, property benefit and burden, model, property rights, profitability, regulation, state.*

## I. INTRODUCTION

The concept of "property" is vague. It includes all types of activities that a person may and can carry out, dominating a thing and striving to satisfy his/her needs using a thing. A thing may be different, may have different properties. A person can have different fantasies and creativity, exercising his/her power [1]. He/she can be a member of a society that has a different culture. In such conditions, it is difficult or impossible to strictly define all types that the owner can carry out with his/her thing, its properties and results.

At the same time, for the purposes of public (state) regulation of the owner's actions, it is necessary to characterize the property. For this purpose, an idea of the property content is introduced.

Introducing ideas about features of the property content that are not known in the public literature, this article used the mechanism of copyright innovation as an important basis in the modeling of ideas about property. The notions given

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below are probably known to a limited circle of people, but they are not presented in public literature [2].

The property content is not characterized from the perspective of the owner's interaction with the thing, i.e. the property process, and from the standpoint of the property result [3].

Thus, all types of power activities carried out by the owner with the thing are divided into two groups:

1) all types of activities, the result of which is the satisfaction by the owner of his/her needs (property benefit);

2) all types of activities, the result of which does not lead to satisfaction of needs (is burdensome), but which are necessary for the possible satisfaction of needs using the things in the future (property burden).

Speaking about the results, we had in mind the activity (power) and its result. Let us specify the corresponding activities as the property benefit and burden. From these positions:

Property result = Property benefit + Property burden.

Since we are talking about the results of activities, it is necessary to introduce two types of results:

-planned (expected, desired) result (planned property benefit and burden);

-actual ("real") result of the property benefit and (or) burden.

Thus, dividing property into two groups of activities, we see that each of them can lead to a planned or to another (actual) result. For example, buying food, the consumer (owner) expects to satisfy the need for food and satisfy his/her hunger. However, he/she can detect the unsuitability of their contents as food. For example, when buying a car or a residential building, the buyer may be deceived in his/her expectations and discover many defects, etc.

With this approach, the state problem of property regulation is also revealed. It shall be implemented in such a way that the actual property results coincide with the planned ones. This shall be specially designed in the laws of the state in the interests of the state, citizens and to eliminate injustice.

The research field of this article is the property content.

The purpose of this paper is to develop a set of model representations designed to regulate the owner's actions in order to satisfy his/her needs and tools for influencing the socio-economic content of the property.

## II. METHODS

The main research method is modeling and using models to identify and analyze the desired patterns. Models are constructed in such a way that they are adequate to realities or close to them.

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We modeling, we use analysis. As part of the analysis, we will design various models of property content. Thus, we will take into account the social state of a person, establishing his/her authority over a thing, adequate to experience. For a qualitative concretization of the elements of the property content model, we applied scientific modeling and systematic generalization of its results confirmed by experience. Also, within the framework of modeling, we implemented statements, justifications, and used scientific assumptions called hypotheses.

### III. RESULTS

Property representations are the foundation of economics, management and statehood.

Firstly, we are talking about the power of human over the things that he/she needs to implement the right to life and freedom. We can say that objective and fair relations between people, during which property arises and in the system of which it is solely exercised, are the basis of ideas about people's right to life and freedom [4]. Therefore, the issue of property is so significant.

Secondly, we are talking about power in the economy, which shall belong to the owner. Housing is the simplest economy, and the state is the most complex economy. For example, one cannot talk about the economics of any market economy [5], as well as the state, if one does not know, understand or ignores, distorts the objective notions of property. Objective representations of property are the basis of objective representations of any statehood and civilization.

Thirdly, those subjective and distorted ideas about property, including erroneous ones, that are harmful:

- are introduced into the legislation of the state with an aim of limiting or depriving a significant part or a majority of citizens of the right to freedom and life;
- are introduced into the rules of contractual relations for inexperienced citizens and participants in market relations with an aim of seizing property and vital rights and freedoms from them;
- are introduced into educational, reference books with an aim of manipulating the consciousness of citizens.

Therefore, comparing different definitions of property [6-8], it is necessary to determine the consequences of using these judgments in laws and treaties. In addition, comparing the content of this term with experience, and evaluating the consequences of their application, everyone can understand the goal.

### IV. DISCUSSION

Government laws can design and create different differences between the planned and actual results of the sale of property for the different social strata of citizens and for different sectors of the economy (for producers). Most often this is achieved by increasing the actual burden.

For example, the ownership of a house can be sold or privatized without the ownership of a land plot, on which it is located, and the buyer may suddenly discover that land plot is required for rent. For example, the ownership of an apartment (housing) in an apartment building can be sold without the right to participate in the common ownership of the walls, floors that make up the apartment, and the apartment owner is in a vicious circle, paying for the right of "access" to the apartment to the common property owner in the building.

Moreover, in advance, he does not know the value of the cost for such access, and the dynamics of its growth. For example, all goods produced by domestic producers can be taxed (indirect tax at all production stages) in such a way that the burden of such a levy was not known to the manufacturer in advance.

#### 1. Price and profitability of property

The property result (planned and (or) actual) can be characterized by price. This allows us introducing the economic and socio-economic content of the property.

The price can be characterized not only by full ownership, but also by easement or property law (the right to lease, use, economic management, etc.).

For example, the planned property result can be characterized by the value:

Property Price = planned benefit price + planned burden price

In this case, it is useful to use the concept of planned profitability of property, i.e. planned economic feasibility:

Planned profitability of property = planned benefit price / planned burden price

The property is profitable in the plan (in the planned mode), if the planned profitability of property is  $> 1.0$ .

#### 2. State regulation of the sole property content at the level of state legislation

The following things are subject to state regulation

- the values of planned profitability of citizens and other participants in a market economy;
- the ratio of planned indicators of the property benefit and burden to the actual ones;
- the values of these indicators for different sectors of the economy and different social layers of citizens, etc.

For example, some property items may not be available for different social strata of citizens as a result of the fact that the ownership of the relevant goods will be unprofitable for them. The greater the number of goods for a given social stratum of citizens turns out to be inaccessible, the poorer people will be in these social strata.

The indicated types of state regulation characterize the socio-economic content of sole property at the level of state legislation.

Property can be legal, consistent with the norms of the constitution and laws based on it, and illegal [9-16]. In order to distinguish legal property from illegal property, a society introduces the ownership concept in any state.

Right is the possibility of activity of a citizen and another person in the country, which is permitted by the basic laws of the state.

Ownership is the possibility of the sale of property, which is permitted by the basic laws of the state.

The opportunity regulated by law shall not be confused with the physical, intellectual, moral, ethical or organizational and managerial ability to exercise property.



The right to full sole property, characterized by the content from the standpoint of the activity features, is presented in the form of a sum: (ownership + right of use + right of disposal).

If the owner has only one or two types of such a right according to the law of the state, then such limited property is called an easement. For example, before construction of the building is completed, the right of use may be withdrawn from the owner. In this case, the owner of the house under construction (until the construction is completed) has an easement in the form of the sum of ownership and rights of disposal for the unfinished property.

Easement, like property, is a perpetual right.

The owner may temporarily and to a limited extent cede part of his/her property rights or servitude to another person. Such rights are called "property rights". The types of property right include:

- rent or lease right;
- right of use;
- economic management right;
- operational management right;
- trust management right ("trust");
- collateral or mortgage.

Since the right of sole ownership in any state is limited and encumbered, the laws of the state determine:

1) obligations of the owner, which he/she shall carry out at the occurrence, implementation and assignment of property;

2) liability for violation of the law (rules of the law);

3) rights and freedoms within the framework of the rules of the law.

This triad of owner's functions is called the legal status of the owner.

The model representations introduced by the authors correspond to experience, but fundamentally differ from those generally accepted in economics.

## V. CONCLUSION

Thus, the proposed model representations allow introducing an idea of the socio-economic content of the exercise of ownership to property. Thus, the sum of all types of costs, expenses and taxes (burden), when the owner implements life types of activities for primary goods (works and services) necessary for the citizens, exceeds their per capita income, and the ownership of such goods will be economically unavailable for such citizens.

The authors consider property a monopoly type of activity, and not relations between people. It arises as a result of relationships, but it is not a relationship. Like work, it can be characterized by the activity result, its volume, quality, time mode, price of the result, etc. Unlike work, property is a vector value. It is characterized by the influence direction on the thing.

In classical political economy, a different understanding of property has been developed and other model ideas are generally accepted. In economic theory, it is still believed that property is not a monopoly type of activity, but production one (according to K. Mars) or socio-economic relations concerning a thing [10-11]. Property is a monopoly activity in relation to a thing, and not the interaction of the owner with other people, who are not the property objects. If there were a person instead of a thing (property object), then property

could be called the relationship between subjects (people). However, the authors understand property as power over a thing, and not over a person. Relations represent an interaction process. Property is not a process of relationships, but power over a thing [18].

In the economy, property as a relationship is not considered a commodity, and it is believed that property has no price [12-14]. This opinion arose because economists consider that the property is process of barter (relations).

The authors believe that their proposed model is consistent with experience and has relationship of the economic content of property with legal and physical content [13-15-17]. It determines the usefulness of the economic content of property for society.

## VI. SUMMARY

The following should be noted in the summary. Despite many complex problems, the proposed approach allows creating tools to regulate the conditions for the emergence of property, its recognition, protection, safety of things and rights to it. Thus, by regulating the ownership, use and disposal of property, the authorities establish rules for satisfying the needs of owners without prejudice to the rights and freedoms of other citizens, as well as the conditions for transferring rights to things to other persons, relations between the owner and other persons, i.e. succession.

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