

GENESIS OF PRIVATE PROPERTY

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Abstract

Property is the foremost category that lies beneath the economic system and determines its historical type. On certain stage of the societal development, the differentiation of property into private and public property has played a crucial role in the formation of civil society. Property is a complex category that contains three components: possession, disposal, and use. Possession means the appropriation of material property with the absence of a real right to it. This is de facto, but not de jure property. In the case of possession, the property is not subject to sale, although it is possible to transfer it by inheritance, which creates a precondition for the transformation of possession into property. In different periods, the right of possession was used instead of property. Property is the right of an owner formally recognized by the state to dispose of it in any form, including the right to sell. This definition is given in ancient Roman law. Property is fully represented with its total content when the combination of all these three components are identified.

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JEL Classification: *K11, P14, P26*

I. INTRODUCTION

At some stage of the development of society, the concept of property did not exist at all, or was completely different from the definition currently adopted. So for example, Aristotle spoke about property (khremata) and its possession (ktema), however, here was not meant property. The term "proprietas" was widely used in Roman law, meant a private, not a community-owned object, such as community lands - ager publicus. There was another term of Latin origin - posedere, which had the same content as proprietas and was widely used in early European civilization. Initially, there was no separation between "private" and "public" property, since proprietas from the very beginning implied the presence of any object in the possession of a private person. A similar separation happened in the 17th century due to the widespread use of the concept of "natural right". It was during this period when the notion of "property" emerged and the concept of proprietas was transformed into the notion of property.

Historically, the first form of economic life - the commune organization - was based on collective ownership of both primitive means of production and the produced goods. Individuals were powerless to fight against nature and could maintain a physical existence only within and through the community. The conditions of existence were collective labor, collective property, and the equitable distribution of created goods.

II. ABOUT THE HISTORICAL DEFINITION OF PRIVATE PROPERTY

Fundamental changes that have occurred in the labor tools, with the deepening of the division of labor, have led to an increase of the Labor Productivity and created the output surplus. This latter has become an object of appropriation by individuals or groups of people. Collective labor demanded and relied on collective property within the community. Individualized labor, which was a natural consequence of the development of the labor tools, put on the agenda the issue of the necessity of individualized property. As a result, property inequality arose among the people - community elders, military leaders, priests gradually began to use their privileged position for personal enrichment. Individual families were separated from the communities, and the products created by their members were no longer transferred to the ownership of the community, on the contrary, they were distributed among the family members. Later, the land was transferred to the ownership of separate families.

Next to private and public property, the philosopher J. Locke was expropriating the own property. (Locke J. Chap. V, par. 27, pp. 2-4). It should also be noted that later, the category of own property was less used in economic theory and industrial practice. The main difference between private and own property is that private property is a condition for the creation of new property, while own property is related not to the creation of new property, but to the consumption of the already created for personal use.

The historical process described above is precisely concerning the dialectic of individual and collective property and Indicates that they preceded the establishment of private and public property.

Private property can be considered as a special type of own property that takes a specific form under the conditions of the capitalist system. It arises as a result of alienation from the means of production of the direct producer. Inequality already has a social character within the society and it is conditioned not only by natural privileges or power, but also, first of all, by property differentiation. As a. Smith once remarked: "Property has become the weapon to protect the rich from the poor" (Smith A., 1986, p. 20).

In this case, the labor coercion does not require the direct violence that took place in pre-capitalist societies, and it is carried out using economic instruments. In other words, external economic coercion to labor is replaced by economic coercion based on capitalist private property. The latter is formed through the accumulation of personal property of separate individuals and its involvement in market turnover, in other words there is a commercialization of personal property. In the process of economic development, own property is transformed into private property ensuring self-sufficiency. The logical completion of this process means that commodity production takes on a universal form and the market economy as a system begins to function on its own. Under such conditions, the line between own and private property is blurred and, as mentioned, private property absorbs own property.

Derived from all of the above, it is logical that private property has reached the highest stage of development within the framework of bourgeois society, in which the expression of wealth takes place mainly in its commodity form. As K. Marx wrote: "The wealth of societies in which the capitalist mode of production prevails appears as an "immense collection of commodities"; the individual commodity appears as its elementary form" (Marx K., 1954, p. 49).

There are different views in the scientific literature on the relationship between property and wealth. For example, one of the prominent philosophers and sociologists of the twentieth century, H. Ardent notes: "Many wealthy societies do not know property because the the constituent values of their wealth cannot be appropriated individually" (Ardent H., 1998, p. 61).

An important role in the development of the social sciences was played by the separation of collective, public and private property, which K. Marx carried it out based on Hegel's dialectical method. He used this triad to explain the social dynamics of socio-economic formations. However, in Marxist political economy, the division of social development into pre-class, class, and classless societies was directly related to the types of property. The Marxists believed that the abolition of the institution of private property was possible only by replacing bourgeois society with a communist society, which, in our opinion, was not the correct view. First, it is wrong to equate private property with human exploitation, and second, it is possible to change the traditional content of private property even within the framework of developed capitalist system. In order to confirm this opinion, we will focus on the two facts below:

The First Fact. The historical experience of the Soviet Union proves that the creation of the institution of public property and its transformation into a monopoly form of property led to a radical redistribution of private property in favor of the state. State property was only formally recognized public, i.e. the so-called "Common public property". In fact, it was ruled by bureaucracy that used its position to pursue personal and corporate interests. Here, in our view, we are dealing with the exploitation of most of the society by small groups of people (party-state and economic elites, bureaucracy), although in this case it happens in the absence of private property. In some sense it may be noted that in the Soviet system the place of personal despotism in the Old East was taken by the state.

The Second Fact. Alongside the failed communist experiment, in the developed countries of the West, originated a tendency of gradually replace own property with private property in the second half of the last century. The issue concerns the mass distribution of industrial and service companies in wider sections of the population, so-called "Scattering of shares." For example, in the late twentieth and early twenty-first centuries, 55.5% to 59.8% of American households owned shares in various companies, and their dividends amounted to more than \$ 10 trillion (Elias D., 1999, p. 14).

III. OBJECTIVE BASICS AND DIRECTIONS OF PRIVATE PROPERTY TRANSFORMATION

In the transformation of private property the role of the technological revolution and hence the role of high technology (especially information technology) is extremely important; As well as the regularities of the formation and functioning of the knowledge economy and information network society. These processes are closely interrelated and interconditioned.

In the developed capitalist world there was a sharp increase in funding on science and education, in the early twentieth century. In this point of view, the undisputed leader was the US, which spent 12 times more money on scientific research and processing than the UK and 13.5 times more than Germany. During the same period, the most prominent US entrepreneurs - Eastman, Mellon, Carnegie, Rockefeller, Vanderbilt and ect. - massively built libraries and universities across the United States. In doing so, they underscored the crucial role of education in the economic and social progress of the country. The great importance had the mass migration of the best scientists of that time, from Europe, to the United States, before and after World War II. Turning science

into a direct productive force means that fundamental scientific research is highly actively involved in the process of creating public wealth. For example, at the turn of the twentieth and twenty-first centuries, the United States spent 2.6% of GDP on scientific research and development, and Japan - more - 2.8%, although most of the money allocated here went to practical tasks, primarily to introduce technological achievements in production.

More than 96% of the funds allocated from the state budget for scientific research and development in the world come from the member countries of the Organization for Economic Co-operation and Development. In addition, the share of funds allocated from the state budget for this purpose has decreased and the share of large corporations has increased lately. Also noteworthy is the sharp increase of the output volume over the last 2-3 years (Heilbroner B., Milberg W., 1998, p. 159). Such gigantic scales of funding on science and education have accelerated technological progress, which in turn has supported creation the knowledge economy and information society in the post-industrial era.

Knowledge economy - is an independent, complex and complicated system, the vitality and dynamism of which is based on the maximum use of the creative potential of modern human as a knowledge worker. Well-known researchers of this phenomenon emphasize that information and knowledge are the main and crucial resource of modern production. In particular, P., Drucker, recognized as the "father" of modern management, writes: "Multiplied knowledge is a key condition for modern economic progress" (Drucker P.F., 1999, p. 52). A similar view is expressed by the famous American economist, L. Thurow: "The most valuable asset of any corporation and of society as a whole in the twentieth century was production equipment. In the 21st century, the most valuable asset of any commercial or non-commercial company will be their knowledge workers" (Thurow L., 1999, p. 52). According to him, "in the past, when the capitalists talked about their wealth, they meant ownership of factories, equipment and material resources. In the future, their conversation about ownership will focus on the ability to control knowledge. The descriptive language of wealth creation will change. If it is possible to discuss the ownership of capital wealth and material resources In the same way it is impossible to define "ownership" on knowledge. People who possess knowledge can no longer be "slaves". How people acquire knowledge is a central problem of a knowledge-based economy" (ibid.). A knowledge worker is characterized by autonomy, independence and striving to perfect his creative skills. Its place and role in modern organizational systems of production are fundamentally changing. As one of the recognized researchers of the knowledge economy T. Sakaiya observes: "In the knowledge-value society, the tendency to separate capital from labor is changing in diametrically opposite directions" (Sakaiya T., 1991, p. 66). Consequently, fewer and fewer knowledge workers are "subordinated" to someone else, and they are mostly partners with each other. Knowledge labor workers and modern companies produce a symbiosis in which one side equally needs the other side and on the contrary (Drucker P.F., 1999). In the framework of the knowledge economy and the information society, the institution of property in general is undergoing a fundamental transformation. Under these conditions, knowledge workers have full ownership on their own skills and abilities. At the same time, it is impossible to alienate this property from its carrier and to objectify it (which implies the "incarnation" of labor in goods and services). Because "the means of production are by nature more informative than material, control over them is, in a sense, transferred to the workers" (Croek S., Parulski J., Waters M. 1993, pp. 114-115).

Due to the peculiarities of the informational product, its sale brings revenue and profit to the owner and at the same time remains in his ownership. Intellectual property does not contradict the institution of ownership, but shifts the focus from ownership of the object to "ownership of the prototype", ie the initial condition for the creation of the object.

Extremely important in the transformation of property is the fact that the means necessary for the creation, dissemination and reproduction of information based on the systematic use of modern technologies are becoming increasingly available to all workers who can use it adequately due to their significant cheapening. Sakaiya, quoted by us, notes in this regard: "... the necessary equipment is no longer unaffordably expensive. Its purchase is unprecedentedly easy for individuals. ... At the same time, the creation of knowledge-value is a process in which labor and means of production are inseparable" (Sakaiya T., 1991, p. 70).

IV. CONCLUSION

Based on the analysis, we can conclude that property and its main form - private property, in the process of historical development was constantly experiencing changes, which will be especially important in the information society based on the knowledge economy. Private property will be modified in several directions:

- Transformation of own property into private property;
- Overcoming "alienation" between property and the direct producer;
- The disappearance of private property in such a way that it no longer defines the social status of a person, which it has traditionally done throughout history.

The metamorphosis of private property into achieving a higher degree of social justice is undoubtedly progressive. However, the question arises - what can be said about property equality in this case?

The unprecedented growth of the role of individual capabilities of people in the knowledge economy

significantly determines the difference between obtain an education and access to information. As a famous sociologist and futurologist f. Fukuyama observes: "In a post-industrial society, we are dealing with a new type of class inequality caused by differences in education levels (Fukuyama F., 1992 p. 116). Here we are in fact dealing with a phenomenon which the German educators called the "natural aristocracy."

The process of modification of the capitalist system will differentiate direct producers, when the accumulation of material wealth will be replaced by the accumulation of knowledge, on the one hand - the incomes of knowledge workers will increase significantly, and on the other hand - industrial labor will be marginalized. This type of labor will be for people who will find it very difficult, or impossible to adapt to the new technological and organizational-economic system.

Modern media and communications connect people around the world, "but today, as never before, they show profound differences between people." (Coyle D., 2001, p. 167). This phenomenon is known in the scientific literature as "digital inequality".

In addition, in the post-industrial society, especially at such a high level as the "information network society" (Castels M. 1996, p.162). Inequality is not related to the phenomenon of private property. It is not a product of the direct producer alienation from both the conditions and the results of production. In this sense, inequality cannot be equated with injustice, at least in the old, traditional sense of the latter.

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