

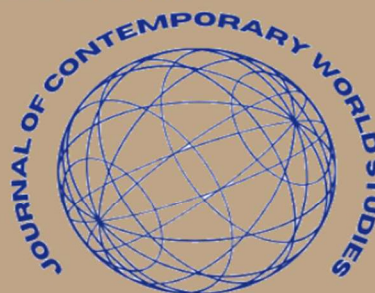
ISSN:
3030-3311



Volume|3 Issue|4 April 2025

JCWS

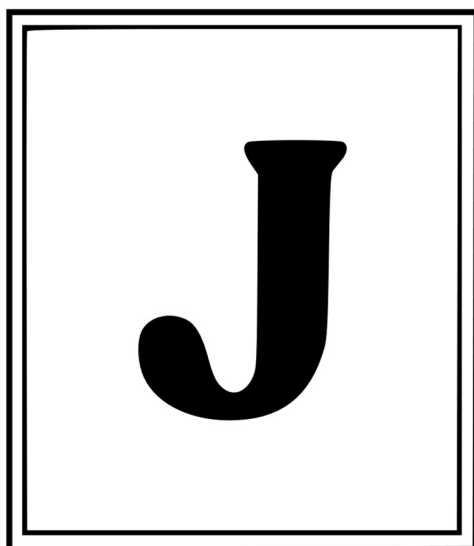
Journal of Contemporary
World Studies



2023

<https://bestjournalup.com/index.php/jcws>

VOLUME | 3 ISSUE | 4 | APRIL | 2025



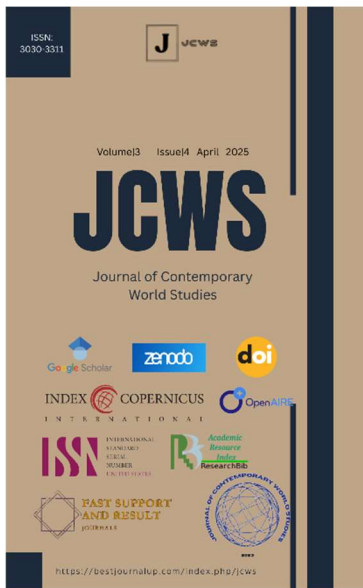
JCWS

THE CONCEPT OF OWNERSHIP AND THE ROLE OF PROPERTY RIGHTS IN ECONOMIC SYSTEMS

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ANNOTATION:

The concept of ownership refers to the distribution of rights to control and use resources, production tools, or property within an economic system. It defines who owns resources and how they should be utilized. The theory of property rights emerged in the 1960s and 1970s and has since become a key methodological foundation for economic analysis, including law and economics, economic history, and organizational theory. Founders such as R. Coase and A. Alchian emphasized that ownership rights are not rigidly defined points but represent a continuous spectrum of powers distributed among different actors. According to the theory, ownership includes various elements such as possession, use, management, income collection, transfer, security, inheritance, and prohibition of harmful use.

KEYWORDS:

Ownership, property rights, economic systems, private property, state property, collective ownership.

Accepted Date:

July 1, 2025,

Published Date:

July 2, 2025

Journal Website:

<https://bestjournalup.com/index.php/jcws/issue/view/jcws4>

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Introduction

Ownership concept generally refers to how rights to control, use, and manage resources or means of production are distributed within an economic system. It determines not only who possesses certain property but also the way it should be used. The concept of ownership also reflects a society's economic structure, mechanisms for resource allocation and management, and the relationship between the state and the market.

The theory of property rights started taking shape during the 1960s and 1970s. Today, it is no longer regarded as an independent theoretical branch but rather serves as a methodological and general theoretical foundation for economic analysis in areas such as law and economics, new economic history, and organizational economics. Prominent American economists such as R. Coase and A. Alchian are considered pioneers of this theory. The theory has been further developed by foreign scholars like Y. Barzel, D. North, R. Posner, S. Pejovich, O. Williamson, E. Furubotn, S. Cheung, and Y. Fama. In Russian economic literature, researchers like R. Kapelyushnikov, V. Radaev, and A. Radigin have contributed significantly to its progress. In Uzbekistan, issues concerning the reform of property relations, the legal framework of ownership, and other related areas have been studied by scholars including Kh. Abulqosimov, N. Yusupova, N. Nedelkina, D. Tojiboyeva, Sh. Shodmonov, T. Shodiyev, and S. G'ulomov.

The theory of property rights explores the legal mechanisms regulating daily economic life, emphasizing the optimal allocation of property rights as a core problem. According to institutional economics, the focus is not so much on determining who formally owns an asset but rather on clarifying how property rights are defined and distributed.

Main part

In this framework, "property" is interpreted as a bundle of rights shared among different stakeholders in varying proportions. The definition of property rights proposed by British legal scholar A. Honoré (known as Honoré's list), which includes key elements, is considered comprehensive:

1. The right to possess, which grants full control over an asset.
2. The right to use it personally.
3. The right to manage, including deciding who else may use it and under what conditions.
4. The right to derive income, whether through direct use or by allowing others to use it.
5. The right to consume, destroy, or transfer it, known as the "capital value" right.
6. Security right, protecting against expropriation.
7. The right to transfer it via inheritance or bequest.
8. Perpetuity, meaning no inherent time limitation.
9. Prohibition on harmful use, requiring the owner to avoid uses that harm others.

Despite appearing clear, these rights allow for numerous combinations. According to L. Becker, considering variations among subjects and objects, about 1,500 combinations are possible, resulting in a wide diversity of ownership forms.

From the perspective of property rights theorists, it is incorrect to strictly divide situations where property rights exist and where they do not. Rather, ownership is seen as a continuous spectrum. A. Alchian and H. Demsetz argue that an owner's effective control can be measured by how much it determines actual use of an asset. All exchanges, in essence, involve trading bundles of rights.

Among the elements in Honoré's list, the prohibition on harmful use is considered the weakest. The problem lies in the fact that many harmful activities are not only permitted but may also be protected by law. In modern private ownership, it is usually prohibited to physically damage someone else's property value, yet indirect harm by reducing its exchange value (such as through competition) is permissible. In medieval guilds, even this indirect harm would have been illegal. The complexity of defining the scope of permissible harmful use leads to challenges in specifying the limits of property rights. This shows that including all theoretical elements does not make ownership rights absolute.

Core elements of ownership:

- **Ownership rights:** Cover the right to use property, earn income from it, sell it, or otherwise dispose of it.

- **Forms of ownership:** Include private, state, collective, and other types. Each form has distinct economic and legal implications.

- **Management:** Ownership involves not only use but also management and oversight, which can be legal, economic, or social.

- **Allocation and management of resources:** Ownership defines how resources are allocated and utilized, specifying who controls assets and for what purposes.

Ownership also plays a crucial role in shaping the characteristics of an economic system, whether it is market-based or centrally planned. It serves as a foundational principle in building the economic structure of society and achieving economic stability and social development. Each form of ownership offers unique economic benefits and limitations. This study further discusses these forms and their respective advantages.

Historically, various forms of ownership have always existed:

- **Communal ownership in primitive societies:** Resources and means of production

were collectively owned and used for the common good.

- **Ownership in slave and feudal systems:** Property was concentrated in the hands of elites and nobles, with the state or rulers owning significant resources. Land was the main object of ownership.

- **Private ownership and capitalism:** With capitalism's rise, private ownership of enterprises and means of production became central, focused on profit-driven activities.

- **State ownership and socialism:** In the 20th century, some countries adopted state ownership to centrally manage resources for societal welfare.

Advantages of private ownership:

- **Encourages competition and efficiency:** Private owners strive to manage enterprises effectively and remain competitive, driving resource efficiency and economic growth.

- **Stimulates innovation:** Owners are motivated to invest in new technologies to gain additional profits.

- **Expands production:** Profit-driven owners seek to increase capacity and enter new markets, contributing to job creation and economic expansion.

Advantages of state ownership:

- **Promotes social equality and stability:** By controlling major resources, the state ensures more equitable distribution.

- **Ensures stability in strategic sectors:** State control over energy, transport, and healthcare prevents crises and guarantees essential services.

- **Controls monopolies:** State ownership helps regulate markets and prevent monopolistic practices.

Advantages of collective ownership:

- **Joint management and participation:** Encourages shared decision-making and cooperative governance.

- **Long-term sustainability:** Emphasizes social and environmental responsibility alongside profit.

- Stimulates community development: Aligns enterprises with local community needs, supporting infrastructure and services.

Conclusion

In the modern era, integrating different ownership forms has become increasingly important. Public-private partnerships (PPP) represent collaboration between the state and private sector, combining resources to achieve large-scale development. Today, intellectual property has emerged as a key economic asset, while environmental ownership and responsibility are gaining significance for preserving natural resources.

In summary, the economic advantages of ownership concepts lie in the efficient management of resources and the promotion of societal welfare. Each form of ownership has its unique strengths and, when effectively combined, contributes to the sustainable development of the economy. The modern trend of integrating ownership forms helps enhance the efficiency and resilience of economic systems.

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