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Social and economic justification of wealth

Abstract
The purpose of the paper is to study current issues of wealth, which is due to current sustainable trends in wealth growth and increasing the number of wealthy individuals. The aim is to determine the nature, prerequisites for the emergence and development of wealth, as well as to reflect the historical aspects of the development of wealth and its current state. The topic of the article is caused by the need to reveal the modern stratification of social strata by the level of wealth, the formation of a wealthy class of society and its growth, the processes of creation and increase of wealth. At the same time the purpose of the article is to study the property as an object of taxation. In this connection, the economic essence of the wealth tax and the conditions of its introduction are considered, the specificity of the functioning of the wealth tax in the market economy is determined, the main features of the functioning of the wealth tax are identified. Methodology. Proper analysis of the social structure of society in terms of material wealth allows to assess the efficiency of the economy and the quality of public policy in the system of creation and distribution of public revenues, public goods and wealth. Without the results of these calculations, fatal mistakes appear in the choice of state priorities of socio-economic policy and the best decisions in the financial sphere. The study is based on a comparison of data on wealth tax in different countries. Results. The question and modern peculiarities of wealth are studied. The value of wealth for the society and the state is determined. Wealth tax is an effective fiscal instrument of the state in the distribution of public revenues. Wealth tax exists in many countries in different forms. Practical implications. The possibilities for improving well-being and increasing prosperity are explored. Adequate assessment of the level of well-being and wealth would enable the state to carry out a balanced and effective socio-economic and financial policy to stabilize society and adopt a stable public order. The financial essence of the property tax and the conditions for its introduction are studied. The peculiarities of the functioning of the wealth tax in the social market economy are considered. Value/originality. It has been established that wealth – a comprehensive, multifaceted category, which can be characterized as a specific feature of the socio-economic structure of society, which determines its state, results, dynamics and tendencies of development. Wealth characterizes the ability to achieve a positive result (effect) in the market conditions of management and use of the existing social and economic potential in the community, as evidenced by its level of civilizational development. The peculiarities of the functioning of the wealth tax in various countries of the world are considered. The use of the wealth tax as a fiscal instrument in the state tax system is suggested.

Keywords: wealth, taxation, economy, property, enrichment, well-being, consumption, wealth tax

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1 Introduction
The economic system, in principle, has no other purpose than the goal of economic growth. The economy is not a frozen, primitive, meaningless composition of random economic elements. It is a truly functioning, powerful market system, clearly aimed at accelerating the pace and increasing the volume of production of public goods and increasing national wealth. Economic growth implies not only an absolute increase in social production, but also the potential ability of the economic system to meet growing economic needs, to ensure and increase the level of economic well-being of society. Thus, the result of economic reproduction is the consumption and appropriation of goods, the accumulation and formation of wealth.

Wealth is not a new or original concept. Economics, as the science and art of management, itself involves the creation and accumulation of
wealth. Economics is the science of well-being and wealth. Individuals work to improve their well-being and enrich themselves. Improving life is a natural desire inherent in individuals. Society seeks to improve the well-being of people. But in reality, a more relevant issue, unlike wealth, is its opposite—poverty—which is more often amenable to analysis and evaluation; perhaps for the simple reason that what dominates society is what is relevant. Although it is hard to argue unequivocally that wealth has ever been less relevant; in fact, wealth is always of much greater interest.

The market works spontaneously and provides the maximum economic efficiency for the whole society. The market mechanism is the mechanism of progress, but the market mechanism cannot solve all the problems of economic growth. In addition to the driving forces, it also contains elements that hinder economic development and do not contribute to the establishment of economic equilibrium (at least in relative terms). The state is trying to correct this situation, but the cyclical nature of the functioning of the economic system still ultimately favors the market. The market and economic growth provide the "means of living", but do not guarantee the "good life". In reality, it is not the economy in which there are no inequalities that develops efficiently, but the one that is mobile and restructured in order to eliminate them. The ability of the economy to adjust dynamically to a higher level of equilibrium with the least possible losses is one of the most important manifestations of the effective development of society. The state contributes to this by adequately adapting the economy to market transformations. In the end, however, a certain social stratum continues to increase its level of well-being at the expense of other people and social groups. The market system is a dispassionate mechanism; it does not conform to any moral standards: the individualistic nature of the market economy fully presupposes a high degree of inequality of welfare in society. The intention to completely destroy the differentiation of well-being would mean the intention to completely destroy the market mechanism. And this is impossible. Therefore, there will always be wealth, poverty and economic inequality in the economy.

The overestimation of other economic elements and the underestimation of wealth have a corresponding importance in determining the benchmarks and laying the foundation for a balanced socio-economic development of society.

2 Social and economic importance of wealth

The issues and problems of enrichment, property accumulation and wealth creation in the economy are weighty and relevant, especially under modern market conditions. The trend of improving well-being and enrichment, increasing property wealth is quite obvious and constantly accelerating in society (Ikeda, 2006).

In the system of economic relations in society, there is always a distribution of wealth. At any given time, there is a certain pattern of wealth distribution. Wealth is not a stable parameter of the market economy. Market conditions are constantly changing; under the influence of market forces, both the economic content and form of wealth and the mechanism of its distribution are constantly changing. Although wealth is always distributed in a certain way, the pattern of this distribution is constantly changing. The distribution of wealth is determined by market forces. Instead, something new will surely emerge, and the distribution of wealth will once again continue unabated.

This allows important elements of wealth distribution to be considered:

- economic subject of wealth, processes of its creation and structure;
- the model of wealth distribution, the specifics of the dynamics and allocation of economic benefits;
- the nature of the change in the wealth distribution mechanism in the time perspective.

The state and development trends of modern states show that developed market capitalism has already created and continues to create for society the highest level of well-being in the history of civilization:

- the majority of individuals are provided for and the process of increasing well-being is ongoing;
- not all individuals become wealthy, but only some of them;
- there are more and more rich individuals in society.

The formation of wealth is unequal in society: the appropriation of economic goods is different for individuals, which identifies their belonging to the corresponding social stratum. Society is not divided into classes per se; its division is carried out by people thanks to their economic activity. Primitive society was created as classless and absolutely equal. With the beginning of agriculture, thanks to productive activity and economic behavior, the well-being of individuals and their comparison by the level of available wealth began to be created; on this basis, a corresponding system of economic inequality of society was formed.

In modern market conditions, the economic inequality of individuals is increasingly manifested and has a significant impact on the social system and relations in society (Adler, 2019). Economic inequality is dynamic and accelerates at a significant rate. In its context, economic imbalances in the well-being of individuals are revealed when one part of
society becomes richer and increases its wealth, and the other part does the opposite (Little, 1950).

Wealth is usually viewed in the context of economic inequality and compared to its opposite, poverty. Such a relationship usually leads to a critical evaluation of wealth and an overestimation of poverty. In fact, poverty is not at all the basis of social welfare and the goal of social development; on the contrary, it is wealth that motivates the process of social activity aimed at improving the well-being of individuals while at the same time reducing poverty. Economic inequality is only a certain template for measuring the level of well-being achieved in society. The quality of life and the wealth of individuals are qualified on the basis of the level of wealth achieved (Harrison, 1979).

As a result, economic inequality of wealth is the basis for the stratification of individuals in society according to the level of their financial situation. At the same time, wealth is not an exclusively static indicator of well-being. The inequality of individuals in terms of economic parameters determines the distribution of wealth and income in society (Atkinson, 1999; Bulmer, 1990). This process is implemented by the state through taxation.

A market economy is never in equilibrium; it is not so critical, the main thing is that the process of economic reproduction is not disturbed, continuous production is carried out and society is sufficiently provided with various benefits. At the same time, market laws of distribution of benefits do not correspond to social ideals, so their distribution among individuals is unbalanced. The economic structure of society is not the same, nor is market disequilibrium itself. Different levels of provision of economic goods appropriately shape different levels of well-being of individuals or relevant social strata, including significant wealthy strata whose well-being is defined as wealth (Cheung, 1978; Farrell, 1973).

In today's market-economically developed world, there are practically no negative standardized stereotypes of the perception of wealth and prejudiced attitudes toward wealthy individuals. In any case, wealth does not provoke criticism; its presence is the norm for modern civilization. Instead, the opposite relationship to wealth is observed in countries with underdeveloped or deformed market economies. For some reason, an extraordinary myth about "virtuous poverty" and "vicious wealth" has developed in the mass economic consciousness. Perhaps this is based on simple everyday comparisons: "poor – honest", "rich – vicious", which are often misleading because of their familiarity and patterns of perception (of course there are "unworthy rich" and "noble beggars"). At the same time, in practice, the antithesis of the situation is often confirmed: it is possible to be a decent, wealthy person all one's life, and also to remain a worthless poor person. As a rule, people are ashamed of poverty and not of wealth; all the more so because, for some reason, they are ashamed of poverty for which they are not to blame and are not ashamed of wealth which they do not deserve. At present, when individuals in countries with an underdeveloped market economy show off their wealth, prestigious wealth, which is manifested by more than sufficient availability of resources necessary to ensure a high standard of consumption, observance of a full, often luxurious lifestyle; rich individuals are mostly inclined to advertise their fortune, demonstratively, pathetically. On the other hand, for societies with a developed market economy, such phenomena are unacceptable and indecent (at least from the standpoint that a significant level of well-being is a social standard, norm), which shows the dominance of some individuals over others.

The attitude to wealth in one or another socioeconomic tradition of civilization can have a positive or negative character, depending on the ways and means of acquiring wealth, methods of its use, etc.; these circumstances are subjective and apply to each individual. The use of wealth can be both beneficial and harmful to society (on the negative side – extravagance and luxurious life, on the positive side – charity, personal or collective).

The owner's attitude to wealth and its positioning in the image of a wealthy person can vary. Wealth, no matter how significant it may be, is actually only a means of livelihood; there is nothing extraordinary about it, and for the owner it is not in itself the most important value in life. Some extreme form of the owner's subjective attitude towards wealth is also permissible, which can change the outlook and nature of the individual: wealth can also turn into a certain ideal – an end in itself, taking the form of the "summum bonum", compared to which everything else is either of little value or completely devalued.

Traditionally, the wealth of a society is estimated on the basis of the income received by individuals. Undoubtedly, income is the basis of wealth: mostly as the primary source of creation and reproduction. Income (money) in itself constitutes wealth: individuals always work in the hope of obtaining the highest possible income. In this context, wealth can also be both objective and subjective: in the first case, those who receive income above a certain level can be considered rich; in the other case, those who have higher income have greater access to the benefits of life compared to the average in society. As a rule, it is income that acts as an indicator of wealth and a measure of economic inequality, reflecting the disproportionality of its distribution. Undoubtedly, income inequality is the main form of economic inequality, which largely determines the unequal access of individuals to social benefits.
for their own well-being and opportunities for personal development. However, the economic inequality of individuals in terms of wealth, which is much greater than income, is more relevant and significant. Money never exists in isolation from all other economic goods and values: it is placed or invested with a specific benefit. It is obvious that income becomes a way to accumulate wealth.

The modern economic era is an era of accelerating civilizational progress: intensification of economic processes and improvement of market mechanisms, increasing socio-economic inequality, disproportionate distribution of economic benefits, differentiation of individuals according to the level of prosperity – we alth. Economic laws are in full operation. The capitalist law of the market economy works particularly well: the rich get richer and vice versa. The society is characterized by significant economic paradoxes.

Well-being is a primary identifier of the socio-economic structure of society. There is a growing adaptability of society to economic transformations, which is reflected in a better understanding of the general direction and results of movements in the social space (social mobility), increasing self-identification of individuals and determination of their status in the social hierarchy. Perceptions of modernity are increasingly associated with wealth and power (including economic power). The simultaneous increase in the importance of wealth and power is not accidental, since power is one of the main sources of wealth creation, and wealth helps to reach the heights of power. Wealth and power become complementary dominants of social stratification, which generate cumulative processes of strengthening and widening of social barriers, causing economic distancing in society.

There is a significant predominance of wealth over other values: at different stages of development of society, different hierarchical systems of basic values are formed, which determine its characteristics and economic culture. This atmosphere is filled with the spirit of money; a narrowly pragmatic, utilitarian approach prevails. At the same time, some social strata are on the verge of poverty or trying to get out of it, while others have adapted to the process of enrichment, clearly focusing on the accumulation of capital, property and wealth. Social advantages give the symbol of "wealth" a valuable meaning; instead, poverty is no longer even offered such a privilege. Interest in wealth is significant, growing, and increasingly positive; it is a normal market reaction and economic behavior of individuals that does not create the conditions for extreme public concern as something abnormal. However, the market is a rigid economic arena: individuals use a variety of ways and means to overcome or evade social constraints on wealth accumulation (Madsen, 2019; Vanberg, 2008).

Inequality of individual access to market goods can be understood as part of the process of socio-economic stratification, and wealth is its result. One can only create an illusion as a certain ideal: to make everyone rich by capitalizing the country as a whole, turning everyone into entrepreneurs and owners. But this is practically impossible. Although it would be desirable: to live in an absolutely wealthy, secure and safe society, which is an almost unattainable ideal.

It is possible not only to make assumptions, but also to state the fact that in modern conditions the perception of society about itself, the space and scale of social positions, economic processes and methods of distribution of national income, the presence and perception of the phenomenon of wealth, the comparison of different categories in the context of economic inequality, relationship with other economic concepts and phenomena have changed.

Looking back at history, it also shows that society is focused on economic growth, the development of market relations, and the creation of wealth. This is confirmed by the "bourgeois" revolutions, the meaning of which is the removal of obstacles to the development of capitalism (and the fact that they could sometimes carry out some anti-capitalist measures does not change their general character, since the primary basis of "bourgeois" society is private ownership of the means of production). In any case, despite the various accompanying tasks and the balance of class forces, the main goal of all such revolutions is to clear the way for capitalist relations (market with private property).

The value of wealth as an economic good can have not only an exclusively individual beneficial effect for the owner, but also a social result, depending on the intentions, directions and possibilities of application. It depends on the individual’s own voluntary decision how it is possible to use wealth in a social or economic relationship with a certain target social effect, personified or within the limits of a specific society. The market economy offers various alternatives for the use of wealth.

Wealth, as an objective market phenomenon in socio-economic perception, causes a certain emotional reaction in society, positive or negative. At the same time, wealth is also a kind of moral burden for the owner, forcing him to fulfill certain duties and establishing the framework of economic behavior.

The attitude toward wealth, regardless of its form, has always been the same. Everything is really very simple: someone has it and someone does not. The interpretation of the situation is objective and logical: everyone cannot be rich or poor at the same
time. There are always differences in the well-being of individuals, even in extremely critical forms.

The social purpose of wealth is manifested in a forced way; this task is performed by the State through its taxation, redistributing income. Wealth is an object of taxation, subject to the fiscal influence of the state in order to mobilize budget revenues and finance programs of public importance. For this purpose, to a certain extent, the property tax is effectively implemented in practice (Sverdan, 2020, 2021).

Wealth tax is a common form of fiscal influence of the state on the property of individuals whose material well-being is characterized by a significant level of prosperity. Wealth tax has been introduced and collected in many countries of the world. During the long period of its operation, the Wealth Tax has undergone numerous transformations, which determines the extraordinary diversity of its fiscal models. The relevance of the economic phenomenon of wealth in any form as a real and potential object of taxation does not decrease or lose its importance. In modern conditions it is used intensively and effectively in various forms in many countries of the world.

The classic, traditional version of a wealth tax involves the introduction of a tax on the total amount of wealth accumulated by individuals. This model of wealth tax has survived today in a few countries – Norway, Spain, Switzerland, Colombia.

An alternative to taxing wealth in terms of its individual elements is a fairly broad distribution of taxes on luxuries as separate objects of individual property (in particular, elite real estate, certain types of vehicles, etc.).

Wealth tax is the most variable of modern tax systems, as it is most often subject to various modifications. The changes mostly concern not the nominal adjustment of some elements, but the transformation of the tax model itself and the introduction of its new or updated fiscal structure, depending on the essence of the concept embedded in the economic content of wealth. This explains why, in modern market conditions, different models of wealth tax operate, which are also optimized, modified and maximally adapted to a specific socio-economic situation over time; wealth tax has quite significant scope, areas and methods of application.

As an alternative to the wealth tax, there are several other forms of taxation on the income and assets of wealthy individuals. One of them is lump sum tax. In modern conditions this is not a very common, but at the same time quite effective form of taxation. A one-time tax has its own peculiarities. First of all, its value does not depend on the activity of individuals. Also, its general premise and characteristic is the practical impossibility of tax avoidance. Some countries still use the mechanism of one-time taxation, quite successfully and effectively.

Switzerland, for example, applies a lump-sum tax in its tax practice, in particular when obtaining a residence permit for foreign citizens, who are allowed to choose a lump-sum taxation system. The lump sum tax is proposed as an alternative to the personal income tax. In fact, this tax replaces income and wealth taxes and is paid annually in a fixed amount calculated on the basis of expenses, not income. Cost-based taxation is a special method of assessing income and assets. Persons engaged in non-profit activities may be granted a one-time tax exemption; this right expires when the person acquires Swiss citizenship or takes up paid employment in Switzerland. This tax is calculated on the basis of the total annual cost of living (in particular, the total cost must be at least seven times the cost of housing). The legislation also provides for minimum values for the tax base and a minimum calculation according to which the tax may not be less than the tax on certain gross elements of income and assets calculated at the traditional tax rate. Individuals in Switzerland pay a one-time tax at the federal and cantonal levels. The cantons have the discretion to set the minimum amount for the assessment and calculation of the tax, which is approximately F300,000 (on average F350-400,000). There is also a minimum tax base of F400,000 for direct federal tax. In practice, the tax is usually twice as high, even reaching F1 million. The one-off tax in Switzerland is in fact justified, confirming its status as an effective fiscal tool (at the end of 2016, about 5,000 people agreed to the terms of its payment; at the end of 2018, more than 4,500 people were subject to the one-off tax, paying a total of F821 million). Overall, less than 0.1% of taxpayers in Switzerland are taxed on the one-off tax, paying a total of F821 million. Overall, less than 0.1% of taxpayers in Switzerland are taxed on a cost basis. At the same time, the Federal Council expects that the majority of those who were previously subject to lump-sum taxation will continue to reside in Switzerland, thus laying the foundation for additional, quite substantial revenues for the Confederation.

There is a reason why taxes are paid in modern, market-driven, socially-oriented countries: the state does a lot of useful things for the people – economically and socially. This is the progress of civilization, which has a price and should be paid for properly. If society sees a fiscal return from taxation, it will necessarily pay taxes, no matter how many and no matter how high they are. For example, among the recent innovations, the following can be highlighted: Luxembourg – free travel on public transport has been introduced; Switzerland – the payment of funds from the budget to citizens has been initiated (return of money as a certain fiscal compensation for previously paid and unused taxes: full provision of the state with financial resources).
3 Conclusions

Thus, wealth can't be seen as evil, enrichment as antisocial, and the growth of wealth as robbing others. Wealth is a normal phenomenon of the economy. The modern market economy contributes to the creation of effective socially oriented economic systems to ensure the general level of social welfare. The market ensures the creation of economic benefits that are unevenly distributed in society. To some extent, this "problem" is solved by taxing individuals with significant amounts of accumulated wealth. This is called a wealth tax. There is always a category of wealthy people in society, which motivates the introduction of a wealth tax. The wealthy class in society is quite significant. Thus, a wealth tax can be introduced in any country, depending on the fiscal intentions of the state.

The distribution of income and wealth in society is permissible and even necessary, although in this way the rich do not become poorer and the poor do not become richer. Achieving economic equality (even if relative) is quite conditional and superficial. It is impossible (at least very difficult) to change, replace or impose anything on the market. The distribution of wealth is a market parameter, so it would be wrong to assume that by changing it, it is possible to get the result without interfering with the market mechanism. This is not to say that the market is flawless; it is so, and the laws of the market work properly. It is only necessary to adapt to the laws of the market in order to obtain the desired "effect" and to achieve "equality" and "justice", while applying various levers of wealth redistribution.

One effective way of distributing wealth is through taxation, which includes various fiscal means implemented by the state in this context:

- taxation of high (very high) incomes with the application of progressive taxation and the introduction of additional income taxes, but without significant fiscal expansion;
- restriction or significant taxation of rent-oriented activities;
- introduction of luxury taxes (luxury taxation);
- introduction of wealth tax (wealth taxation).

To a small extent, taxes on wealth and income create a situation of some social justice. The fiscal mechanism for redistributing income and wealth involves the provision of public goods rather than concrete material assistance to individuals; in this way, the state seeks to establish the common good in society.

Wealth is a rather original object of taxation. It is not without reason that the state has been effectively taxing wealth in various forms since ancient times. Wealth tax, if properly applied, has a positive fiscal and socio-economic effect. In the general structure of personal income and property taxation, the wealth tax occupies an appropriate place.

In accordance with the peculiarities and tendencies of the socio-economic development of the society, taking into account the dynamics of market transformations, it is necessary to make appropriate changes in the wealth tax, which would stimulate the further progress of civilization.

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