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**BIOPOLITICAL FRAMEWORK FOR SOCIALLY FAIR AND EFFECTIVE TAXATION**

Alexander P. Spornik (a)\*, Maksim V. Ilichev (b), Sergey A. Malenko (c),  
Andrey G. Nekita (d)  
\*Corresponding author

(a) Yaroslav-the-Wise Novgorod State University (NovSU), Veliky Novgorod, Russian Federation,  
Alexander.Spornik@novsu.ru,

(b) Saint-Petersburg State University (SPbU), Saint-Petersburg, Russian Federation, st040997@student.spbu.ru,

(c) Yaroslav-the-Wise Novgorod State University (NovSU), Velikiy Novgorod, Russian Federation, olenia@mail.ru,

(d) Yaroslav-the-Wise Novgorod State University (NovSU), Velikiy Novgorod, Russian Federation,  
beresten@mail.ru

**Abstract**

The article examines the issues of the biopolitical essence of tax, the formation of the functions of taxes in a biopolitical context, the possibility of the existence of “neutral taxation” and the foundations of state tax policy. The study relies on an extensive methodological toolkit that allows one to consider the stated problems from different angles: the biopolitical approach, within which the reproduction of the principles of biological trophism in social relations is fixed, the theory of social contract, as well as the existing socio-economic theories of optimal taxation. Biopolitical analysis in the tax area is a relatively new scientific approach, in connection with which the prospects of its use are substantiated. Further, the ways of solving the problems of optimal taxation in the context of digital transformation are considered and recommendations are given, acting in accordance with which the state will be able to ensure the sustainability and efficiency of its functioning. In conclusion, it is concluded that the tax, although it is an instrument of violence against the population, is nevertheless necessary to achieve social justice and, as a result, political stability. In accordance with this, the state needs to carefully approach the formation of the tax system and prevent its imbalance.

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## 1. Introduction

Today, during the period of active reform of the political system in Russia, the need for tax reform is more urgent than ever. The current tax system is regularly criticized from both business and the opposition, and from the scientific community. At the same time, it is necessary to approach the choice of the reform course with all responsibility, since the income of the state, the standard of living of the population and the degree of well-being of citizens depend on this, among other things. A responsible approach to the choice of the optimal taxation system, focused on the performance of all its inherent functions, should be developed on the basis of various approaches focused on maximizing utility both for the state and for the population.

Modern conditions imply the inclusion of the problem of taxation in an interdisciplinary research field, taking into account the circumstances that shape the existing social reality: the dominance of information and communication (digitalization) and biotechnology, as well as a radical transformation of the political sphere (transformation of politics into biopolitics). This circumstance will become decisive in this work.

It is noteworthy that in the biopolitical context, the topic of taxation practically does not occur, despite the huge number of similar studies in the field of economics ("bioeconomics" (Birch, 2017; Bobylev et al., 2014; Schurr, 2017), "biocapitalism" (Mikhel, 2019), etc.) and their predominantly applied nature. This study aims to introduce tax issues into the mainstream of biopolitical research and try to substantiate, based on the realities of the digital age, adequate principles of taxation.

## 2. Problem Statement

On the one hand, the government is interested in the growth of tax revenues required to finance and implement the decisions it makes. Ensuring this growth is inextricably linked to the extent to which the authorities can ensure regularity, efficiency and fairness of taxation. The main problem facing the legislator is that the authorities are extremely interested in a constant increase in tax revenues coming to the budget, while the population, on the contrary, categorically does not welcome any increase in tax, naturally seeing this as an infringement of their rights.

At the same time, it is necessary to understand that taxes finance the production of public goods, which are used by almost all members of society, financing projects and programs, the purpose of which is to improve the standard of living of the entire population. In this case, the tax, de jure, is a free payment, and de facto, taxpayers receive in return a "concentrate" of public goods produced for government funds, since the state in this interpretation acts as a subject of accumulating cash flows in the necessary volumes for the implementation of global changes affecting the life of the entire population.

Thus, the task of choosing a taxation regime is non-trivial, and given the impact of the tax system on numerous spheres of public life and the digitalization of all processes that take place in them, it is especially relevant today.

### **3. Research Questions**

Key questions for the research to answer:

- 3.1. What is the essence of taxes from the point of view of a biopolitical approach?
- 3.2. How are the functions of taxation formed in the context of the formation of socio-trophic relations?
- 3.3. Is "neutral taxation" possible?
- 3.4. What should the state do to ensure and maintain stable functioning in terms of tax policy?

### **4. Purpose of the Study**

The aim of the study is to study the biopolitical foundations of taxation as the main principle of "social extraction" (Lust & Rakner, 2018, p. 277) and substantiate the principles of a socially fair and economically efficient tax policy of the state in the context of the digital transformation of modern society.

The aim of the study is to study the biopolitical foundations of taxation as the main principle of "social extraction" (Lust & Rakner, 2018, p. 277) and substantiate the principles of a socially fair and economically efficient tax policy of the state in the context of the digital transformation of modern society. On the other hand, it is necessary to substantiate exactly which principles of management influence in the field of taxation and why the state should choose to ensure social stability and maximize economic utility.

### **5. Research Methods**

This study is based on a biopolitical approach, the various methodological aspects of which are set out in the articles of Rodin (2017), Parchev (2018), Repo (2018), Zhelnin (2019), Esposito (2019), Nicolai (2019), Lopez (2018), Fajardo (2019) and others. The quintessence of this approach is the reproduction of the principles of biological trophism in social relations (Nekita & Malenko, 2009; Nekita & Malenko, 2021).

The work also contains elements of reasoning based on the theory of dynamic programming (Konyukhovskiy, 2000) and socio-economic prerequisites for the formation of tax scales (Smirnov & Chistyakov, 2002).

### **6. Findings**

The essence of any tax is the gratuitousness of the withdrawal of funds from citizens in favor of the state. Being the main item of budget income, tax revenues literally feed the state in the person of its unproductive members: different categories of the so-called "state employees", from the "leisure class", in the person of, for example, officials, to representatives of socially significant professions – teachers, scientists and doctors. The fundamental point here is that the groups using the common goods, whose official income is formed exclusively at the expense of the state budget, are themselves taxpayers participating in the formation of its revenue side.

In this regard, it is necessary to recall another important function of taxes - the distribution of income in favor of the less protected categories of citizens at the expense of the more successful and wealthy. This point is directly related to the choice of the most equitable taxation principle. The tax policy of the state regulates issues related to what exactly is subject to taxation, to what extent and on what basis. However, the payer is almost never given the choice of which public goods to pay. In this sense, he is not a full-fledged subject of the social contract, accepting the rules of the game, largely imposed on him from outside. While some types of taxes can be explained in terms of protecting civil rights or ensuring the functioning of social institutions that support the normal existence of society, others are beyond common sense (Sahakyan & Bobok, 2019). This situation demonstrates the dissatisfaction of the authorities with respect to one or another activity, the prohibition of which is not yet possible due to the ritualistic regard for human rights. So, the government unequivocally hints to citizens that certain occupations are highly undesirable, and some, on the contrary. And they are also marked in a certain way in modern legislation through tax incentives and deductions. Here one more function arises, implicit, which is not customary to talk about – repressive. The tax becomes not just an instrument of social extraction in favor of the state and society, but, along with fines, a kind of negative sanction.

Some researchers, such as Murray Rothbard, consider any taxes to be a social evil, using the term “tax robbery” (Rothbard, 1997, p. 63) to demonstrate that the state is forced to withdraw part of the population's income in its favor. This approach fosters the idea that taxes are the only area that has not been critically analyzed by the proponents of the market, so that the market has not become free of the state. If the market can decide who and how much will produce goods and services, then it is not possible to answer similar questions regarding taxes, from Rothbard's point of view: within the framework of the concept of a “free market”, traditional criteria cannot be distinguished. Rothbard concludes that the free market and taxation are incompatible. At the same time, the question of the degree of state intervention in the economy and other non-political spheres of society remains controversial to this day. As Mavelli (2017) notes, even within the framework of the liberal theory, “a strong state is necessary in order to maintain, protect and guarantee the existence and functioning of the market” (p. 494).

A paradoxical situation is observed: on the one hand, the state is leaving all spheres of life that are not connected with politics, on the other, an unprecedented increase in the power of state power: the state arrogates to itself more and more powers, limiting the rights of its citizens (Wermuth et al., 2021). This happens not only under totalitarianism, but also in developed rule-of-law states with democratic regimes. Managing influence on the population is aimed, on the one hand, to maintain and strengthen power, and on the other, to maximize the utility received from citizens. A person begins to be viewed from a purely rational point of view - as a kind of “biorobot” or “instrument made of flesh. This governing influence can include both fairly straightforward strategies for managing births (reproduction of the labor force) and mortality (reducing the number of consumers of “public utility” who do not belong to the “caste” of the main “power users”), as well as more subtle tools, allowing in a milder form to redirect the “stream of utility” (for example, managing the quality of life of people), which is reflected in the works of many domestic and foreign authors (Biermann & Anderson, 2017; Dal'Igna et al., 2019; Nasir, 2016; Repo, 2018; Sakevich et al., 2016; Schurr, 2017; Skopin, 2019). Accordingly, for the existence of the state, and the possibility of creating such a stream of utility, citizens themselves are needed.

Considering the issue through the prism of the theory of social contract, we can say that excessive arbitrariness of power can lead to an interruption in the flow of utility. This can be expressed in various kinds of social unrest, up to the overthrow of the government. To prevent such an outcome, the state must direct at least the minimum necessary stream of utility to its citizens. According to the theory of dynamic programming, achieving immediate maximum utility ("squeeze all the juice out of citizens at once") is not consistent with maximizing utility in the long run (one can get less utility, but get it constantly). In addition, a part of the produced public good (utility) can be invested in the "upgrade" tool for its production – "human capital", contributing to the growth of utility production in the future. A similar situation was observed at the stage of the Neolithic revolution, when mankind gradually moved from risky and energy-consuming hunting and gathering with unpredictable results to a productive economy, which significantly reduced the risks of leaving the community without food. So, the once wild plants and animals were involved in a new type of relationship, ceasing to be only the biological basis for maintaining the life of the human community, turning into a "property" that brings income. The next stage is the logical division of human society into social "producers" ("producing class") and social "consumers" ("leisure class"). Social food chains are reproduced in the hierarchy of social institutions, which, in turn, determine the methods of influencing the population by power, which is a kind of natural "food base" of power here. Formally assimilating social relations to trophic ones, the authorities are trying to imitate only the quantitative and statistical, but by no means the substantive efficiency of the development of their habitat. At the same time, the actual principles of organizing natural interactions remain outside the processes of social assimilation, which, in fact, indicates the actual replacement of the natural dialectics of nature with the nomenclature of its institutionally interpreted surrogates (Nekita & Malenko, 2009).

The misbalance between "extraction" and "reinvestment" of utility became especially pronounced in connection with digitalization, which began at the end of the 20th century and is constantly increasing its pace. In support of this idea, one can cite, for example, the article by Greenwood (2019), in which the author examines the problem of the impact of digital transformation on the growth of unemployment in the United States and makes a disappointing forecast. As a possible way out of the situation, it is proposed to change the attitude to work: it is necessary to consider this factor not only as a supplier and producer, but also as a social entity – a communion of social institutions. Now there are mistakes in the "settings" of these institutions: for example, in the context of digitalization, specialists who know how to develop programs and control robots should become the most in demand, but the education sector does not have time to fully rebuild due to the disunity of interests of all parties to the process. As a result, future generations of workers are doomed to unemployment and a decline in living standards, despite technological progress. Accordingly, this example demonstrates that in the context of digital transformation, a particularly "fine" adjustment of the control influence on the part of the authorities is necessary in order to maximize the produced utility.

## **7. Conclusion**

Taxation, for all its necessity and usefulness for the economy, will always remain another instrument of violence on the part of the state, even if the payment of taxes by all participants in social

relations ceases to be understood as an inevitable evil. Modern social trends, on the one hand, require minimizing violence from the state, which has set a course for democratic values, ensuring the rule of law and respecting the rule of law in all spheres. On the other hand, the demand is growing not only for economic efficiency, but also for social justice, including in the area of taxes. The tax policy of the state, therefore, should be based on the idea of a fair redistribution of income.

Taking into account the principles of fairness in the formation of the tax policy of the state will create a situation in which citizens will be satisfied (since the tax burden is reduced) and become more tolerant of public policy in general. In these conditions, the overall productivity should also increase: if you create the necessary working conditions for the employee, this will increase his motivation, and, consequently, the return and productivity.

Those in power remain in a double win: firstly, the growth of tax revenues to the state budget allows them to expand their ability to influence citizens (fewer financial constraints, which means more flexible management is possible); secondly, the image of managers as “fair government” has been created and maintained, although in fact, they are pursuing their own interests.

Thus, a situation arises when both parties to the social contract win, striving for different (and to some extent even opposite) goals.

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