

SUMMARY

The aim of this study is to analyze legitimacy of policy. Its fulfillment should emerge from detailed inquiry of the essential sense of social institutions. The work is divided into three chapters therefore.

The first chapter deals with law as a basic system of order of social relations. It explains its fundamental social goal (reducing transaction costs of social action) and its influence on the development of civilization. It discusses in detail the property rights as a fundament of any real legal system – both at the legal level and economic level (i.e. how the system of property rights coordinates social activities and allocates scarce resources, how it creates the elite, and when there is a fault efficiency of this process).

The second chapter deals with the social obligations which are necessary condition for preservation of law. These obligations are labeled as taxes (as opposed to tributes that basis is not in the obligation to maintain the legal system and are only ransom inherently). Particular attention is paid to the fair distribution of these obligations (tax justice) and also to the impact of taxation on the development of civilization.

The last (third) chapter deals with institutional framework of society, i.e. the exercise of public power and public administration (government performance) and related problems of political elite and its legitimacy. It begins with the analysis of democracy (which is currently seen as the only acceptable method of legitimacy of political elites and political decisions). It gets on with analysis of the functioning of democracy in its current institutional framework (modern representative democracy), analyzes their problems and discusses alternative models (historical examples) of political legitimacy. Finally, it brings the proposal of alternative institutional arrangements of democracy which respects the need for a balance of social rights and obligations (which is not guaranteed in today's democracies).

Problems whose detailed analysis was not possible (appropriate) to include in the work itself for structural reasons are discussed in six appendices. They are: (A) public goods, (B) bureaucracy, (C) constitution and constitutionality, (D) various concepts of democracy, (E) electoral rules and their logic, and (F) social values and political ideologies.

KEY WORDS

law, social contract, crime, externalities, taxation, elite, democracy, public choice, public goods, bureaucracy, constitution, electoral systems