

Needs as a target function of social progress

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Abstract. Any type of activity is based on human needs. One of the most important tasks of the economy of any country is the production of goods, and the purpose of goods, accordingly, is the satisfaction of needs. Although the main goal of any enterprise is to make a profit, to achieve it it needs to sell its product on the market, which, in turn, will satisfy someone else's need. It turns out that the needs of people determine their economic activity, are a unique and primary activator of production, determine the scale of production and, to a certain extent, are the engine of progress in economic terms. The article reveals the essence and content of the topic of human needs; the role of needs in economic development is shown; the relationship between the needs and economic indicators of the state has been identified and analyzed.

1 Introduction

The main goal of a market economy is to build a strong society in social terms. One of the tools for achieving this goal is to increase the quality requirements for the targeted allocation of funds from the federal budget, which is formed mainly through taxes and fees. With a rational distribution of the federal budget, a high level of social development can be achieved. Another instrument of social development is social policy, aimed at managing the social development of society and ensuring the satisfaction of social needs.

2 Research methodology

The main methods used during the research are the analysis of the results obtained from the study of articles, magazines and books, the derivation of general patterns, and the generalization of the information obtained during the study of this topic. The methods of this research are the analysis and processing of information obtained from the study of scientific articles, books and other works.

3 Results and Discussions

Throughout the history of mankind, there has been an economic problem that remains unresolved until modern times; this is the problem of limited resources.

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Needs are a conscious and experienced state of lack of any objects, phenomena, conditions and relationships. They are the main motivator of people's activities and their economic activity. To satisfy the need for something, for example, food, clothing, housing or luxury goods, a person works, earns and, thus, starts and maintains the economy. When a person's need remains unsatisfied, he experiences dissatisfaction, irritation and other negative feelings. To satisfy his needs, man uses various resources of the Earth.

The successful functioning of any enterprise, in turn, is ensured by the demand for their product or service, as well as profit from their sale, which also depend on the needs of people. Before the decision-making process, for any organization, market analysis of a product planned for production is an objective necessity, since the profitability and viability of the company depends on the consumer interests of people. Need to find out what the buyer is interested in? According to what laws do his needs change? Which product is more necessary for a person, and which one can he do without? The answers to these and many other questions are provided by the field of economic theory, which studies the needs of people.

According to economic theory, need is a conscious and experienced state of lack of any objects, phenomena, conditions and relationships. A person's need for something can develop into interest, which is understood as a person's manifestation of a conscious attitude towards the subject of his need. Interest is a motivator for the fulfillment of needs.

At the same time, economic needs are a factor interdependent with production, because have a strong opposite effect on production, due to the fact that needs encourage a person who is "lazy" by nature to create and produce. Thus, human demands push the production process forward.

This means that the driving factor for people's economic activity is their needs, to satisfy which a person needs to look for ways to obtain financial resources, which mediates the need to study people's consumer preferences. The question is not only about the needs of people themselves, the main question arises at the stage of satisfying these very needs. How likely is it to meet all people's needs? The formation of answers to these questions is the responsibility of economic theory as a science, which by definition deals with the problem of limited resources and limitless needs. To date, despite high scientific and technological progress, it has not been possible to obtain positive answers to these questions. It is also considered impossible to quench humanity's thirst for ever-increasing consumption. In addition, the problem is aggravated by the depletion of resource potential.

The problem of limited resources in conditions of unlimited needs remains central to economic theory.

The very structure of needs changes depending on the level of development of society. Thus, if in pre-industrial society land resources predominated in importance, now financial and information resources are more valuable. This means that some resources may be unclaimed, so you need to look for alternative options for using them, you need to combine them and look for effective ways to meet needs.

The resources available on the planet can satisfy the needs of more than 10 billion people, but for this it is necessary to learn how to use them competently and rationally. Production does not keep pace with the rate of population growth. And food shortages lead to a decrease in labor productivity, the quality of the workforce, and, accordingly, a decrease in economic growth and development [6].

A major role is played by rationalizing the distribution of resources, since the number of people suffering from hunger is over 1 billion people, and over 1.6 billion from overweight and overeating [3]. It turns out that there are enough resources to satisfy the need for food, but the problem is that these resources are distributed irrationally.

In the Russian Federation, the problem of limited resources will be acute in the future. The export of natural resources from the country exceeds the share of imports; oil, gas,

minerals, and various metals are constantly exported from the country. Some countries, whose territories do not have the natural resources necessary for their economy, receive resources from Russia on an ongoing basis. Although this phenomenon has a positive effect on the size of the gross domestic product, the domestic national product at the moment, in the future such active export of resources can lead to a total shortage of resources within the country, since oil, gas, coal, expensive metals are all limited resources that are in are currently not being renewed [7].

Russia is one of the countries with the greatest natural resource potential. This advantage is due to the fact that the country is the largest country in the world by area, but this feature may subsequently be lost if the export and use of resources is not approached rationally.

Of all the resources, Russia has the largest reserves of oil, and it is oil that is exported the most.

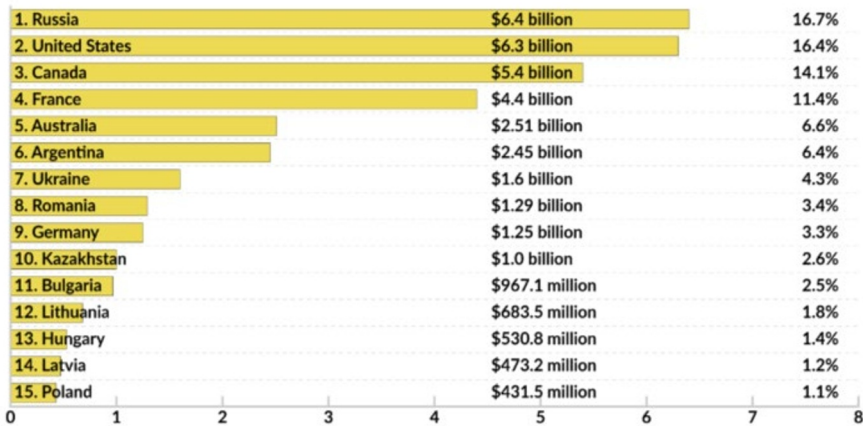


Fig. 1. Raw materials in exports of the Russian Federation in December 2021 (in millions of dollars).

From the data presented in the table, it follows that oil exports prevail several times over other natural resources. The amount of exported natural gas is 2 times lower, and the most unclaimed resource for export according to December 2021 data is nickel.

All exported and imported resources serve the needs of the population of each country, and the type of most consumed resource depends on the characteristics of the environment, climate, living conditions of the population, quality of life and even the level of development.

Thus, needs are a constantly changing, developing part of the economy that requires careful study. In addition to the fact that needs are the motivator of people's activities, they also represent the basis on which the economy as a whole is based. If there are no needs, there will be no need to produce goods, and, accordingly, there will be no management as a whole.

To increase the organization's profits, entrepreneurs need to carefully study the needs of potential buyers. In economic theory, there is a generally accepted classification of needs, named after its author.

According to A. Maslow's system, needs are arranged in a hierarchy according to the importance of their satisfaction. Thus, the biological needs, which were mentioned above, come at the very beginning, and the spiritual needs at the end [1].

Physiological – needs that must be satisfied for the physical survival of the body. If physiological urges dominate in the human body, then he will not feel all other needs. Having analyzed this group, we can say that a person first satisfies basic (physiological)

needs, and only after that moves on to others, in other words, until he satisfies the primary needs, others will not be interesting to him. The need to be safe is the desire of a person to be in a stable and safe state, to be protected and treated from illness, suffering, stress, and to feel comfortable [1].

According to A. Maslow's theory, the need for belonging is actualized after the physiological needs are satisfied and consist of a person's search for love, affection, family, and belonging to a certain social group. People are constantly in contact with others and thus satisfy the need for communication and friendship.

The need for recognition is a person's desire to be positively evaluated and recognized by society. People need respect from others, a sense of self-worth, and the importance of their personality.

The highest level of A. Maslow's pyramid is the need for self-expression – the development of a person's internal abilities. It is this need that allows a person to reveal his talent, potential, develop, become better, both physically and spiritually.

Needs are the target function of social progress. And, as already noted, they are characterized by multiplicity, versatility, and dynamism.

The consumer nature of man determines his unity with the world around him and his habitat. It should be noted that needs also depend on the society in which he lives, on the natural and climatic conditions surrounding him and on the stage of human development.

The needs of primitive people, people who lived, for example, in the 16th century, and the needs (except for the primary ones) of modern people will be completely different. In primitive conditions, man did not have prestige needs. His activities were aimed at obtaining food, building housing, and reproducing the family. Those physiological needs prevailed over others, moreover, practical ones were basic. The complication of economic relationships has led to the complication of work activity and the formation of secondary needs.

Scientific and technological progress causes changes in the composition of needs due to the complication of mechanisms for satisfying needs, the complication of everyday necessities. Therefore, the needs of modern man are very different from the needs of his ancestors. Different historical stages of development, climatic conditions, different territories of residence - all these are factors that certainly influence the formation and change of human needs.

Needs directly affect the state and development of the economy. Thus, there is a close connection between them, which is expressed in the circulation of goods.

The manufacturing process is a continuous process that has evolved from the initial simple ones to the highly automated ones of today.

Production is the process of human influence on natural resources with the aim of changing their original form into one suitable for further consumption and satisfying certain needs. Production is the basis of life and the source. It is the main engine of progress of human society and serves consumption.

Consumption forms the final goal and motive of production, since in consumption the product is destroyed, it dictates a new order for production. A satisfied need gives birth to a new one; the development of needs is the driving force for the development of production.

The production process is based on an analysis of people's needs. First, producers look at what consumers need and how much they need, and only then begin to create goods.

If we take into account such resources as oil and coal, then ultimately they are extracted for further production and to meet the needs of people. Here, the producing country necessarily analyzes and predicts the amount of oil used: the more it is used in the process of creating goods and consumed, the more it is produced.

When delving deeper into the mutual connection between the economy and needs, it is also necessary to note the connection with them of income, as a factor that determines the

level of satisfaction of human needs and is capable of satisfying them. Growing needs stimulates the need for income growth, and income growth, in turn, leads to an expansion of the range of human needs. Based on the above, we can conclude that there is a directly proportional relationship between needs and income: the higher a person's income, the higher his needs and vice versa.

Thus, the needs of people serve as the foundation of economic development, and the influence of needs on the economy is decisive, since:

1. needs motivate a person to action and are the main factor in creation.
2. satisfying constantly growing needs, people stimulate the production process, the creation of new goods and technologies. All this leads to scientific and technological progress. And technical development, in turn, leads to a total change in the way of life, the world, the structure of human life, and his way of life. All these and any other changes give rise to qualitatively new needs of people.
3. the primary role of needs is due to the fact that they mediate the evolution of economic activity - from the lowest level to increasingly higher ones.

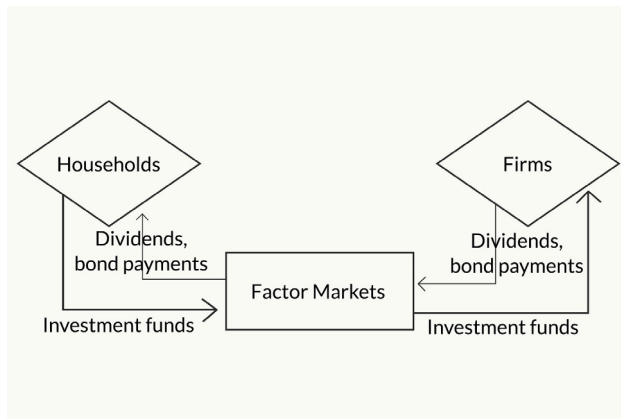


Fig. 2. Movement of labor products

The data in the figure shows the circular movement of economic development, but another important link in the cycle is not highlighted here - the “need” phase, connecting the phases of consumption and production. Thus,

Developing this point, it is important to note the nature of economic development - its circular movement.

Just as the cycle of substances constantly occurs on Earth, the cycle of economic benefits continuously occurs in economic activity.

Manufactured useful things disappear during the process of consumption and are created again in the same or modified form. Such a circulation is a prerequisite for the continuous maintenance and renewal of human life.

Thus, the circulation of goods consists of four links: production, distribution, exchange and consumption. The initial link in this chain is needs, and they are interconnected with all links in the circulation of goods.

Social production is the main element in the development of the economy and society. It is the initial and decisive sphere of human life. This is the basis of life and the source of the progressive movement of human society, the development of all human civilization. Production creates goods necessary for the existence and development of people. Also, the level of production activity determines the extent to which it can satisfy people's needs. If we assume that the country has not produced the required amount of goods (be it bread or cars), then the needs of the people will not be adequately satisfied.

Currently in Russia, the issue of meeting the needs of the population is acute, since as a result of the imposed sanctions, many foreign companies and transnational corporations, whose goods were in great demand and supply in the country, left the Russian market. This trend has negatively affected the country's market, economic results and the further development of the Russian economy on the one hand, but on the other hand, active import substitution is underway in Russia.

Import substitution stimulates national producers to develop new types of production that were not previously engaged in Russia and to provide the population with the necessary material and intangible benefits. In addition, Russia has launched a state program "Development of industry and increasing its competitiveness", aimed at replacing imports and allocating several billion rubles annually for the implementation of the project.

The import substitution program showed positive results, since in 2022, when the country was faced with a situation that has never happened in the history of the Russian economy: more than 100 companies left the country's market, which is a shock for the Russian economy - the economy and population survived and, moreover, began to improve and produce goods of a quality no worse than the quality of foreign goods.



Fig. 3. Dynamics of foreign trade in goods in Russia

From the data presented in Fig. 3. It follows that imports in Russia have been rapidly falling since 2021 in relation to exports of goods, although in 2020 imports in the country were higher than exports. This trend is associated, first of all, with the departure of foreign companies and the implementation of a special program for the protection of national firms and the development of import substitution, which has already been mentioned.

4 Conclusions

Thus, needs are a determining factor in the development of the economy of any country, as they create the need to produce goods and services. To increase its profits, any enterprise must study the demand market, which is formed from the needs of the population. Foreign firms and transnational companies took an active part in meeting the needs of the Russian population, but with the departure of many of them from the Russian market, issues of import substitution became more acute, and the country has a program aimed at replacing

imports, which allocates significant funds from the country's budget and gives satisfactory results.

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