

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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Associate Professor**A. M. Aparov**, д. ю. н.,
доцент**RELATIONS OF PRODUCTION AND CONSUMPTION: ECONOMIC AND LEGAL DESCRIPTION THROUGH THE PRISM OF LAW OF NEED GROWTH****ВЗАЄМОЗВ'ЯЗОК ВИРОБНИЦТВА ТА СПОЖИВАННЯ: ЕКОНОМІКО-ПРАВОВА ХАРАКТЕРИСТИКА У ПРИЗМІ ЗАКОМУ ЗРОСТАННЯ ПОТРЕБ**

Urgency of the research. In the light of the important value of the pattern of cause-effect relations between production and consumption, it seems quite important to explore its key economic and legal aspects.

Target setting. The article presents an attempt to provide economic and law characteristics of economic relations between production and consumption.

Actual scientific researches and issues analysis. Issues considered have been analyzed in the economic science quite well. However, this issue is rarely explored in the context of law.

Uninvestigated parts of general matters defining. In economic and legal sciences there is no unity of concepts concerning understanding of cause-effect relations between production and consumption, so the relevant issue requires complex economic and legal comparative study.

The research objective. The article meaningfully representing the comparative economic and legal characteristic of cause-effect relations between production and consumption.

The statement of basic materials. The relations that during the production, distribution, exchange and consumption of material goods, are economic, and their based on objective factors. One of the mentioned factors are economic and other human needs.

The outlined relation clearly disclosed in the prism of economic law of needs growth that reflects basic and fundamental relation between production and consumption.

Conclusions. The economic law of needs growth obtained its detailed economic analysis in the context of economic theory. The analysis of approaches of law and legislation on this subject indicates that such ways are limited in by theory of economic science, which seems acceptable with a glance to the economic nature of the law of needs growth and related categories. Additionally, the content of the relevant achievements of economic science was transformed into the sphere of legal categories and concepts.

Keywords: needs; benefits; law of needs growth; consumption; production; economics; law.

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Urgency of the research. In the light of a place in the economy and social value of the pattern of cause-effect relations between production and consumption, it seems quite important to explore its

Актуальність теми дослідження. З огляду на важливе значення закономірності причинно-наслідкового взаємозв'язку між виробництвом і споживанням видається досить актуальним розглянути його ключові економічні та юридичні аспекти.

Постановка проблеми. У роботі здійснена спроба надати економіко-правову характеристику економічного взаємозв'язку між виробництвом і споживанням.

Аналіз останніх досліджень і публікацій. Аналітиці розглянутих питань присвячується значна увага в економічній науці. Однак, зазначене питання рідко розглядається у площині права.

Виділення недосліджених частин загальної проблеми. В економічній та юридичній науках відсутня єдність думок щодо суті причинно-наслідкового взаємозв'язку між виробництвом і споживанням, а тому це питання потребує комплексного економіко-правового порівняльного дослідження.

Постановка завдання. В роботі змістовно відображена порівняльна економіко-правова характеристика причинно-наслідкового взаємозв'язку між виробництвом і споживанням.

Виклад основного матеріалу. Відносини, які складаються у ході виробництва, розподілу, обміну та споживання матеріальних благ, є економічними, а в їх основі знаходяться об'єктивні чинники. Одним із зазначених чинників слугують економічні та інші потреби людей.

Окреслений взаємозв'язок яскраво розкривається у призмі економічного закону зростання потреб, який відбиває базовий і фундаментальний взаємозв'язок між виробництвом і споживанням.

Висновки. Економічний закон зростання потреб набув свого докладного економічного аналізу у площині економічної теорії. Аналіз підходів права та законодавства з цього приводу свідчить, що такі у своєму змісті обмежуються теорією економічної науки, що видається допустимим з огляду на економічний характер закону зростання потреб і пов'язаних з ним категорій. При цьому зміст відповідних надбань економічної науки був трансформований у площину юридичних категорій і понять.

Ключові слова: потреби; блага; закон зростання потреб; споживання; виробництво; економіка; право.

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key economic and legal aspects, and among other things – from the perspective of so-called law of needs growth.

Target setting. It is well-known, that the economy is important to various social institutions and their development, in particular to the state, since in the most general way it is designed to ensure national financial and economic stability, as well as efficient social and economic development; to various groups of people (public associations, juridical entities, etc.) and physical persons (entrepreneurs, consumers), because this ensures the implementation of their private economic and other interests (making a profit by economic entities and fulfillment by them their creative abilities and talents, satisfaction of consumers needs for products, etc.). In this respect, it should be quite obvious that the relations that develop between people in the course of economic activity, that is during the production, distribution, exchange and consumption of material goods, by their nature are economic, and their origin and development based on objective factors.

One of the mentioned factors, which essentially is a key factor of the emergence, of quantitative and qualitative development of production, technologies and other related phenomena and processes, as well as of economic progress of mankind in general, are economic and other human needs. The outlined relation and its nature very clearly disclosed in the prism of economic law of needs growth that reflects basic and fundamental relation between production and consumption.

Actual scientific researches and issues analysis. Issues considered in this paper have been analyzed in the economic science quite well. However, this issue is rarely explored in the context of law.

Uninvestigated parts of general matters defining. In economic and legal sciences there is no unity of concepts concerning understanding of cause-effect relations between production and consumption, so the relevant issue requires complex economic and legal comparative study.

The research objective. The article meaningfully representing the comparative economic and legal characteristic of cause-effect relations between production and consumption.

The statement of basic materials. Thus, since the relations of production (economic activity) and human needs, and so, accordingly, the relations of production and consumption are economic by their nature and develop under the economic rules and laws, then the review of the papers under consideration in this article should be started with the consideration of economic approaches to their understanding, and after that we should explore the relevant aspects in the prism of law and legislation, which are regulatory control of public relations, including economic ones.

Thus, it is rightly noted in the economic literature that the urge to satisfy the growing needs is exactly a motivation for the improvement of economic activity, the increase of economic goods production and improving their quality. Upon this it is noted that although the growth and development of needs are always ahead of production capacity and are not congruent with the level of actual consumption, yet the avant-garde role of needs displayed in this; this role is reflected in the economic laws of needs growth, summarizing internally necessary, essential and stable relations between production and consumption, needs and existing resources for their satisfying. According to this law the continuous development of needs is the driving force of economic and spiritual progress of mankind, consequently stimulating the emergence of new and new needs [1, p. 44-45].

So, in economic theory it is believed that human needs are the basis of the economic law of needs growth, which leads to a tendency of comprehensive development of economic and business activities. In this regard, it is quite right to accept the definition of needs offered by K. R. McConnell and S. L. Brue in their days in the «Economics: Principles, Problems and Policy» book: «needs are the urge of consumers to purchase and use products and services that bring them benefits» [2, p. 50]. Or else: needs are necessity in something, that is objectively required to support life and development of a person, a group, a nation, a society as a whole; it is inner cause of activity [1, p. 39].

In its turn, the emergence of needs and the further understanding of their content lead to the formation of so-called interest (conscious need) and encourages an individual to seek benefits to meet the relevant need, because very benefits are objects, phenomena and processes that can meet a hu-

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man need. As it was rightly noted in this context in the economic literature: benefit is any utility (object, phenomenon, process), which satisfies the human need [1, p. 42].

However, we should agree with the statements in the economic literature, that the various benefits with the help which people and society maintain their existence (food, clothing, housing) are not ready-made: in order to use them first it is need to create them by adaptation, transformation, change the nature material for personal use. The process of interaction of people in which they, influencing the nature, create material and non-material benefits necessary to ensure their existence and development, called the production, which forms the basis of mankind life and creates conditions for its further progress [3, p. 33]. In other words, a production exists and develops to meet various human needs [2, p. 50].

With relation to the abovementioned economic trends, in the economy and economic science the needs implicitly recognized as key factors and operant motivations for the emergence and further development and improvement of production. From this point of view the production must be understood as an active efforts of people, having economic sense and aimed to meet human needs through the production and sale of the relevant benefits, in this case it is namely products (goods, works, services).

However, one can get the impression that very origination and existence of needs at an individual not always can serve as a continual factor of production, since the creation in the course of economic activity a benefit and its sale and consumption by an individual, as it seems, can lead to the complete satisfaction of the need and by this eliminate its re-origination in the future, so, consequently, cause no need for further production of such benefits and its termination. However, this idea is false, that can be detected during a more detailed understanding of the «need» category. In particular, the needs are dynamic and limitless by nature, due to the development of an individual and society as a whole. As it was rightly noted in this context by N. I. Hrazhevska (Н. І. Гражевська): «the continual economic and spiritual development of society in its result causes both quantitative and qualitative growth of needs. In addition the origination of new needs is accompanied by constant diversification, multiplication, enrichment and complication of their types». It is also clarified that the constant process of human person improvement, human imagination, competition of producers and modern communications are stimuli of continuous development and diversification of needs [1, p. 44-46]. According to statements of other experts in the field of economy, «by quantitative and qualitative characteristics human needs have unlimited nature, because they can not be fully satisfied both at the individual and society as a whole level, and very unlimitedness of economic needs is the first fundamental fact of economic theory» [3, p. 9]

Thus, continual dynamic process of emergence and development (diversification, complication) of human needs is an operant motive to the emergence and development of economic activity (production), which in this case aimed at the creation and implementation of benefits to meet the relevant needs. Upon this very processes of benefits production and their consumption lead to all-round development of society, leading to the emergence of new needs and complication of content of existing ones. This, in its turn, leads to the necessity of new benefits production to meet new needs and/or improved benefits to satisfy the existing needs, which, however, is complicated in its content. This is namely the way we should understand the economic law of needs growth, in which the relations of production and consumption are displayed.

The idea resulting from this that the very emergence and existence of needs for certain benefits are the determinant, which makes demand for production and creates good reason to form a supply of benefits. This, in its turn, gives sufficient grounds to claim that the economic law of needs growth also plays a significant role in the formation of supply and demand in the market.

It should be specified that the very economic law of needs growth, based on the «the emergence of economic and other human needs (and awareness about them) – the further production of benefits to meet ones» construction, provides financial and economic stability and further effective social and economic development both for the state and its various institutions (society, economics, some social

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groups, juridical entities and individual persons). Upon this the mechanism of economic law of needs growth defines the essence of the process of economic activity (production), which, accordingly, narrowed to identification and transformation of resources needed to produce benefits. Ultimately, such benefits are products (goods, works and services), that in future have to be consumed.

As for the approaches of juridical science, law and legislation to the issue of understanding of the essence of the economic phenomena and processes (needs, benefits, the economic law of needs growth) examined in this paper, it can be said that they are limited by approaches and achievements of economic science, because by the content and character the relevant categories are economic, but not juridical, therefore, respectively, they are not researched in the legal context. In particular, in economic and law science on the grounds of achievements of economic theory it is implicitly recognized that the main productive force in the economy is an individual, to meet the needs of which actually the production process is implemented. Upon this an individual acts as a producer and a consumer of material benefits and services [4, p. 12].

Consequently, in juridical science, as well as in economic one, as the objective factor that stimulates the emergence and development of economic activity (production) recognized human needs. Upon this the further understanding of the mentioned needs leads to the emergence of economic interests, which, in its turn, are the internal stimulants to activation of business operations aimed to the production and sale of benefits that meet the respective needs of society.

As imagined, the juridical science, clarifying and covering the content of «economic activity», «business activity» and «entities» concepts, that used in the current legislation of Ukraine and by which, among other things, the juridical literature operates, took into account the content of the essence of the economy (in the sense of economic activities) and economic law of growth needs. In particular, the analysis of a number of law sources suggests that the economic and legal science considers the «economic (business) activity» as a specific type human activity that has an economic nature and the content of which is narrowed down to the active process of economic subjects' behavior concerning the search, conversion and transformation («production») of various resources in benefits, and regarding the sale of the latter (benefits) to meet their personal interests (profit-making, etc.) and the needs of society (consumers).

As for such economic concepts as «needs» and «benefits», the current legislation hardly operates by them. Only a few references to the relevant categories contained in statutory regulations on consumer protection. In particular, in the Art. 39 of the Commercial Code of Ukraine [5], and in the Art. 4 of the Law of Ukraine «On Protection of Consumers' Rights» of May 12, 1991, № 1023-XII [6] it is stated that consumers, in order to meet their needs when purchasing, ordering or using of goods (works, services) are endowed with a number of rights, such as rights: on guaranteed level of consumption, on appropriate quality and safety of goods, on state protection of their rights and more. Several references to needs are also contained in the Art. 1 of the mentioned Law of Ukraine «On Protection of Consumers' Rights» of May 12, 1991, № 1023-XII [6] in the context of definitions' formulation of «service», «production» and «work» terms. In particular, the latter are considered as being aimed at satisfaction of the personal consumer's needs. Moreover, the Art. 62 of the Commercial Code of Ukraine [5] operates by the the «need» term, the analysis of which shows that the satisfaction of customer's needs is one of the main objectives of enterprises activities, that provided by the systematic implementation of the production, scientific and research, trade, other economic activities.

As for the «benefit» notion, it is mentioned in the provisions of the abovesaid Commercial Code of Ukraine and the Law of Ukraine «On Protection of Consumers' Rights» of May 12, 1991, № 1023-XII. In particular, the content of Articles 261 and 262 of the Commercial Code of Ukraine [5] states that in the brunches of material production the production of material goods is carried out, and these goods are intended for use both in the production sphere as means of production (products for production and technical use), and in the sphere of personal consumption (consumer goods). At the same time, the «benefit» notion used in Art. 1 of the Law of Ukraine «On Protection of Consumers' Rights» of

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May 12, 1991, № 1023-XII [6] in the sense that the activities of the economic entity concerning the provision (transferring) to a customer some material or non-material benefit, specified by the contract, to meet his/her personal needs, is a service.

In this context it should be noted that in the science of economic law is accepted to disclose the content of «needs» and «benefits» terms through the prism of the «products (goods, works and services)» and «consumers' interests» concepts. From this point of view, the interests of wide range of consumers consist in the necessity to ensure continuous and systematic, as well as «secure» satisfaction of customers needs, and these interests recognized as a key type of public interest in the economy sphere. On the same occasion it should be noted that we can trace a close relation of relevant «needs» and «benefits» economic concepts with the «right» and «legitimate interests» legal categories, because the right is considered as limits of a permissible behavior, established by legislation for certain subjects, which is aimed to meet their needs and interests, while the legitimate interest interpreted as a pursuit of certain subjects to use the specific material and/or non-material benefit to meet individual and collective needs. This position is also shared by the jurisprudence of a higher level, arising from the review of the Judgement of the Constitutional Court of Ukraine of December 1, 2004, № 18-пп/2004 [7].

At the same time, the economic and law science recognizes benefits, created in the process of economic activities and materialized in products (goods, works, services), as the tool for the satisfaction of relevant needs and interests of consumers.

In the context of the issue under the consideration it should also be noted that in the light of the objective circumstances, in which public consumption of economic activity results (goods, works and services) is closely related to the very economic activity, that is evident in patterns of the economic law of needs growth, due to the objective requirement in the course of the lawmaking of economic and civil legislation the relevant issue had been regulated by their separate institutions: by the institution of consumer rights protection, by certain norms of antimonopoly and competition law and legislation, and so on. It should be noted that the national legislation understands as a consumer an individual person who purchases, orders, uses or intends to buy or order products to meet his/her personal needs.

Conclusions. So, the research, conducted in this paper, suggests that the economic law of needs growth, as a purely economic regularity, underlying the all-round development of economy and business activities and reflecting the inextricable relations of production and consumption, obtained its detailed economic analysis and understanding in the context of economic theory. At the same time, the analysis of approaches of juridical science, law and legislation on this subject indicates that such ways are limited in by theory of economic science, which seems acceptable with a glance to the economic nature of the law of needs growth and related categories (needs, production, consumption). Additionally, the content of the relevant achievements of economic science was transformed into the sphere of legal categories and concepts, in particular, this content underlies the theoretical and legal, legal and regulatory concepts of understanding of such terms, as «economic (business) activity», «consumer», «right», «legitimate interests», «production (goods, works, services)», «enterprise», «material production» and so on.

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