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BASIC NEEDS: SOME UNSETTLED QUESTIONS

by

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Abstract: The paper raises some of the unsettled and controversial questions in the basic needs debate. Among them are: who determines what needs are basic? What substance can be given to the slogan "participation," which, together with adequate income and well designed public services contains the essence of basic needs? What are the politics of basic needs? Is it a revolutionary or a conservative approach? What is the relation between meeting basic needs as an end in itself and as a means to raise labor productivity? Why are humanitarians and human capital school adherents at loggerheads? How should international support for a basic needs strategy be mobilized? And what is the empirical relation between poverty eradication and reducing income inequalities?

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BASIC NEEDS: SOME UNSETTLED QUESTIONS

The large basic needs literature of the last ten years has clarified some issues in anti-poverty strategies and has shunted the policy formulation from more abstract, aggregative to more concrete measures for specified vulnerable groups. And it has drawn attention to the need to redraw the line between consumption and investment. But, as so often happens in the clarification of one set of issues, it has also raised new problems. Any reassessment has to begin by identifying some of the unsettled questions in the basic needs approach.

Perhaps the first question a skeptical reader of the basic needs literature might ask is: who is to determine the basic needs? Is it the people themselves, who may prefer circuses to bread, television to education, or soft drinks, beer, and cigarettes to clean water and carrots? Would it not be very arrogant to lay down what people should regard as basic?

There is conflicting evidence on the connection between the choices actually made by the poor and basic needs as determined by nutritionists and doctors. From Seeborn Rowntree's study of poverty in York at the turn of the century to a World Bank report on human resources in Brazil, it is clear that many people, in spite of adequate incomes to buy the products that would keep them well nourished and healthy, do in fact spend their money on other things and therefore suffer.¹ Rowntree referred to "secondary poverty," a condition in which "earnings would be sufficient for the maintenance of merely physical efficiency were it not that some portion of it is absorbed by other expenditure, either useful or wasteful" such as drink, gambling, and inefficient housekeeping. Secondary poverty prevented many more people from meeting what he called a "human needs standard" than did primary poverty (that is, inadequate incomes). At the same time, secondary poverty is partly the result of being poor. Similarly, evidence from Brazil shows that malnutrition is wide-spread in spite of incomes that are adequate to buy the essential food. There is also evidence, however, that some very poor people often get good value from their expenditure. It might well be that the deviations arise as people become better off and, emerging from subsistence agriculture, become subject to the pressures of advertisers, the demonstration effect, and the desire to emulate those richer than themselves.

It is difficult to envisage any society in which some basic needs such as nutrition, education, health, shelter, and water and sanitation would not be contained in the definition of basic needs, even if all five sectors did not everywhere require improvement. But these five core basic needs may not coincide with the list of basic needs expressed by the people. They would probably give high priority to personal safety, which would lead to a demand for more police protection, more secure prisons, and so on. The ILO considers employment a basic need; Sidney Webb included leisure. High on the list, as China recognized in the six guarantees, is a decent funeral, for which working-class people in England and elsewhere are prepared to pay

large insurance premiums. Other needs that would be given priority are various forms of patent medicines and barbiturates, television, ownership of land for peasants, a grand wedding, national glory, and sexual gratification.

Basic needs may be interpreted in several different ways. They may be interpreted objectively, in terms of minimum specified quantities of such things as food, clothing, shelter, water and sanitation that are necessary to prevent ill health, undernourishment, and the like. This narrow, physiological interpretation has the strongest moral appeal, but it leaves open many questions, such as the precise relation between food intake and adequate nutrition, and the most effective way of providing the resources to satisfy needs.

Basic needs may be interpreted subjectively as the satisfaction of consumers' wants as perceived by the consumers themselves, rather than by physiologists, doctors, and other specialists. This interpretation leads to the conclusion that people should be given opportunities to earn the incomes necessary to purchase the basic goods and services. It is the most natural approach for neoclassical economists, who assume that consumers are better judges of their basic needs than experts, but it leaves open the demarcation of the domain of the public sector--and of policy interventions. But whatever the process by which individual needs are expressed, whether through the market or the vote the freedom to define one's needs is itself a basic need.

Those who reject the assumption that consumers are rational (that is, that they have full access to information, are able and ready to act on it, and are not subject to pressures, enticements, cajolery, irrational fears, and so on) arrive at a more interventionist interpretation. According to this view, public authorities not only decide the design of public services such as water supply, sanitation, and education, but also guide private consumption in the light of public considerations (for example, through counterpressures to advertisers or food subsidies). Those hostile to this interpretation call it paternalistic; those sympathetic to it call it discriminating or selective or educational.

A fourth interpretation emphasizes the non-economic, non-material aspects of human autonomy and embraces individual and group participation in the formulation and implementation of projects, and in some cases political mobilization. This widely ranging sociopolitical interpretation sometimes verges on the notion that the satisfaction of basic needs is a human right: freedom from want is like the right not to be tortured. Since it can be shown that human rights and basic needs can be in conflict, this more general formulation comes near the view that "all good things go together."² In its narrower formulation non-material needs are seen as ends, separate from the material means for the satisfaction of what are sometimes called material needs.

As soon as the question of who determines basic needs is raised, another ambiguity in the literature becomes apparent. Do basic needs refer to the

conditions for a full, long, and healthy life, or to a specified bundle of goods and services that are deemed to provide the opportunity for these conditions? The fact is that very little is known about the causal links between the provision of specific items, the capacity to meet certain needs,³ and the achievement of a full life. Planning ministries, donor agencies, and some intellectuals tend to prefer the technocratic approach, in which the bundle is specified, costed, and delivered. But this approach is not only incompatible with respect for human autonomy, but also ineffective or very costly.

The foregoing discussion raises the problem of participation, a concept often used as a slogan, without careful consideration of precisely what is meant. First, there is the question of the purpose of participation: Is it personal satisfaction, work enrichment, greater efficiency to improve results or lower costs, community development, or the promotion of solidarity? Is it an end or a means, and if a means, to what ends? What if there are conflicts between these objectives? Can participation deal effectively with strategic decisions, or even with tactical managerial ones?

Second, what form should participation take? At a factory, it might take the form of codetermination of policy, work councils, shop-floor participation, financial participation, cooperatives, or collective bargaining. It could even be argued that certain kinds of non-anonymous markets are a form of participation.⁴ In basic needs projects there are similarly many forms, and it would have to be spelled out which is appropriate for which objective. Participation would have to be fitted into the apparatus of development administration, with decentralized decision making supported by decisions at intermediate and central levels. What central support is needed to give effect to participation? Is there a case for central action to counteract local self-determination, if it works against the interests of the poor because powerful members of the local community have taken over? If we are concerned with meeting the basic needs of the blacks in Mississippi would we delegate more power to the state government or keep firm central control? The barefoot doctors in China were selected from among the villagers but would have been no good had they not been centrally trained.

Third, what is the relation between participation and democratic institutions? The corporate state under various forms of fascism encouraged the participation of organized groups of employers, workers, and farmers, and it is said that Tito and other socialist dictators got the idea of self-managed enterprises from Mussolini. China has practiced mass participation on a grand scale. Participation can be used to bypass elected members of parliament and can be highly undemocratic. Devolution of important decisions to local bodies may, as we have seen, mean handing power to members of the local power elite who grind the faces of the poor. Central decision making often provides safeguards for the interests of the poor.

Fourth, the "representatives" of organized groups are normally more ambitious, more vocal, more capable, better educated, and often better-off than the people they represent. Such highly unrepresentative leaders may lack the ability to identify local needs and aspirations, and it is not at all clear that they should be the ones to formulate the priority and content of basic needs. Nor is it clear how to avoid the twin dangers of elitist dictation or consciousness-raising from above and the nonarticulation of basic needs from below.

Fifth, when do people have a right to participate in decisions that importantly affect their lives? "If four men propose marriage to a woman, her decision about whom, if any of them, to marry importantly affects each of the lives of these four persons, her own life, and the lives of any other persons wishing to marry one of these four men, and so on."⁵ Yet, no one would propose that all these people should vote to decide whom she should marry. Certain rights set limits to participation, however important the decision may be for those excluded.

If the objective of participation is (partly) to mobilize support for certain policies, are there prospects of reformist alliances and progressive coalitions among the powerful groups, so that the poor can benefit from some common interests with some section of the ruling elites? English reforms, admittedly very slow, happened not through participation but because Tory landlords promoted factory reform (the urban industrialist saying it would ruin British industry), while the urban industrialists moved for a repeal of the Corn Laws to make food, and therefore wages, cheap (the rural landlords saying it would ruin British agriculture). The reform laws and the growth of trade unions were helped by these measures, but they came later.

In the light of these questions, it is preferable to spell out the administrative structure necessary for an efficient implementation of a basic needs approach: who should take what decisions, at what level, in what sequence? The call for participation is too vague.

Another area of doubt concerns the possibility that at least one of the objections raised to the growth approach may also apply to the basic needs approach. It may be agreed that the effects of growth do not trickle down, or do so only slowly or unreliably, and that it is not necessary to keep the consumption of the poor down for a long time to accumulate enough capital to meet the needs of the poor. But if governments show resistance to redistributing the fruits of growth widely, are they not likely to resist meeting basic needs? Of course, removing absolute poverty is different from reducing inequality, and meeting the basic needs of the poor--feeding the hungry, clothing the naked, and succoring the sick--has a much stronger appeal than do egalitarian policies. Basic needs policies need not hurt the interests of the rich in the way that redistribution does and may even aid them, such as health measures that eradicate infectious diseases. And it is easier to implement such policies at an early stage of development than later, when concentrated growth has created powerful interests. But it might be objected that, in spite of these considerations, a radical

implementation of a basic needs approach is liable to run in some areas into the same obstacles and inhibitions as policies of redistribution do.

This raises the question whether a basic needs approach calls for a radical or even a revolutionary strategy, or whether it is merely a palliative. Those who believe the latter say that it attacks symptoms rather than causes. It can be argued that palliatives may be the best that can be achieved and that the alternative is not more radical reform but doing nothing at all for the poor. Some might even say that many palliatives, if gained through participation, prepare the ground for more radical reforms, rather like termites in the woodwork eventually undermine it and make necessary a completely new structure.

There are two objections to this line of argument. First, unless the palliative can be sustained, it may undermine the possibility of continuing the relief and may prepare the ground for worse problems later. Second, the policies to implement palliatives may preclude other changes that would have eradicated poverty more efficiently and more lastingly. Improvements that are unambiguous by the criteria of welfare economics may bar more radical improvements in income distribution and factor allocation, which would have been better still. It is not at all clear whether the basic needs approach mobilizes the power of the poor to improve radically their situation or whether it reinforces the existing oppressive order.

Karl Marx said, "Philosophers have interpreted the world, in various ways; the point, however, is to change it."⁶ And Albert Hirschman has discussed the relation between the advance in our understanding of a problem and in our motivation to tackle it. In tackling basic needs the question is whether our desire to change the world has not run ahead of our correct interpretation and understanding. "The lag of understanding behind motivation is likely to make for a high incidence of mistakes and failures in problem-solving activities and hence for a far more frustrating path to development than the one" in which understanding races ahead of motivation.⁷

Critics of the basic needs approach might think that basic needs as an objective is noncontroversial, and that the approaches, policies, or strategies implied by the term are not different from those of "growth with equity," or "growth with poverty alleviation," or "redistribution with growth." Indeed, many of the architects of the success stories would be surprised if they were told that they had pursued a basic needs approach. Other critics of basic needs strategies might say that even in the most affluent countries the basic needs of many are not met, and that we do not know how to attack and eradicate poverty.

It might also be said that the obstacle is not a lack of understanding but a lack of motivation on the part of those in power. Is it stupidity or cupidity, ignorance or "lack of political will" (or, better, lack of a political base) that prevents the eradication of poverty? Count

Oxenstierna wrote his son "quantilla prudentia regitur mundus": with how little wisdom the world is governed. Others do not ascribe our troubles to foolishness but to knavery.

Another unsettled issue is the relation between meeting basic needs as an end in itself and as an instrument for developing human resources. The argument of this paper is that human development is, above all, good in itself, and providing the opportunities for it needs no further justification. If the consumption of radios, bicycles, TV, and beer is accepted as desirable, there is no reason not to accept better health and education as at least equally desirable. Not only is the development of human resources desirable in itself, but it also raises productivity³ and lowers reproductivity. A vigorous, healthy and skilled labour force is a more productive labour force; and educated and healthy families tend to have fewer children. The consumption aspects and the investment aspects of human resource development thus reinforce each other. It was this agreeable convergence of what is good in itself and what contributes to greater production that appealed to many early academic advocates and policy makers in the basic needs area. No longer was it necessary to sacrifice consumption for the sake of capital accumulation and growth: consumption itself can be productive, and many disagreeable conflicts seemed to disappear.

Human development, say in the form of education, is partly current consumption, because many enjoy the process. It also uses up resources (and is therefore a non-durable producer good) in the process of producing a durable investment good and a durable consumption good. The subsequent state of being educated has the characteristics of a durable investment good and a durable consumption good. In the former capacity it raises the productivity and the earnings of the person in employment and self-employment. As a durable consumption good, it does not necessarily raise earnings; it may make people content with lower earnings, through contemplation, reading, conviviality, listening to music, looking at paintings, etc. As an investment good it also raises the returns from non-market activities, such as those of educated housewives, mothers, work by men and women for themselves and their families, and do-it-yourself activities.

Why, then, are the human resource developers who emphasize productivity, and the humanitarians who emphasize the intrinsic value of human development, not in alliance instead of at loggerheads, as they so often are? If education, for example, is shown to be productive, as well as good in its own right, should the educators not embrace the economists and regard their arguments as strengthening the case for spending more on education? The same goes for health, nutrition and other forms of social expenditure.

Unfortunately, a harmony of interests between human resource developers and humanitarians cannot be established so easily. Choices have to be made, and these choices are liable to depend on whether humanitarianism or productivity is the over-riding concern. Conflicts may arise with respect to the beneficiaries, the content, and the constituencies of the two approaches.

First, some human beings are not and never will be members of the labor force: the old, the disabled, the permanently sick. Are these unemployables to be beneficiaries of a basic needs approach? It has been argued that resources devoted to this group also have a positive effect on production, and a negative effect on reproduction. If an important motive for having children is to provide for old age or infirmity, a social commitment to look after the old and infirm will remove this motive and reduce the desired size of family. Aside from such possible overlaps, however, there is here a clear conflict between those who emphasize exclusively productivity and those who emphasize humanity.

Conflicts between the appropriate "target groups" (not a fortunate expression, for it suggests that the groups are not only got at, but also shot at) may also arise among the productive from the fact that it is much easier to make the relatively better off small farmers more productive than the poorer landless labourers. The productivity approach will tend to concentrate on channelling resources to raise the productivity of small farmers, while the humanitarian approach will aim at improving the lot of landless labourers.

Second, choices must be made about the content of the investment in human capital. Should education be general, so as to give access to the store of human civilization, or should it be technical, so as to improve working skills? Should it be liberal or scientific, pure or applied? Should it be formal or informal, in institutions or on the job? These various forms are likely to be different in their intrinsic desirability and their consequences for production. Even the most narrowly productivity-oriented human developer will have to admit that education should not be identified solely with schooling, and health not solely with medical services (expenditure on health services more often measures the health of the health services than the health of the people). It would be a strange fluke, however, if the type of education desired by humanitarian educators is precisely the same as that desired by the proponents of economic growth.

Third, there may be differences in the time horizon. The proportion of resources devoted to primary, secondary, and tertiary education, and the choice of educating children, youths, or adults, are partly dictated by technical relations. There is a need to train teachers and administrators even if the principal emphasis is on primary education, and there is a need to educate parents if high drop-out rates from primary schools are to be avoided. But the choice is also partly determined by a different time horizon: whether the primary goal is to improve the existing labor force or, through investment in children, the labor force of the future.

Fourth, the treatment of human investment in a particular group will differ according to whether the emphasis is on the development of autonomous human beings or on their contribution to increased production. In the education of women, conflicts will tend to arise between those who stress women's freedom of choice--their need for more earning opportunities and equality with men in pay and access to jobs--and those who emphasize better

services in the home and family, such as improved nutrition and hygiene for children. The implications for breast feeding, for example, are quite different in the two approaches. The pleas of the women's liberation movement are in conflict with the pleas of those who call for an improvement in the specifically feminine roles of wife and mother.

Fifth, though the meeting of consumption needs may increase output, the nexus may be vague and qualitative, and not subject to the measuring rod wielded by the human capital school. To those who believe that only what can be counted counts, the humanitarian approach will be for this reason dismissed.

Sixth, the political constituencies are likely to be different for the human capital approach from that for the humanitarian approach. World Bankers, economic cost-benefit analysts, and similar groups, will be impressed by the productivity implications, and, were they shown to be small or negative or unmeasurable, would turn away from supporting such projects. The churches, some voluntary agencies and a good part of public opinion will be impressed by the human argument for meeting needs and may be alienated by the banal arguments of the productivity school.

It must therefore be concluded that a pure basic needs approach may conflict with a productivity and growth approach, although the two approaches overlap in some areas.

Also open to criticism are the methods employed to show that investment in human capital has favorable effects on economic growth. Econometric exercises establishing correlations between social and human indicators, such as life expectancy, literacy, and infant mortality on the one hand, and growth rates on the other, give no clue to the causal relations. Good nutritional levels are related to higher incomes and higher incomes to higher growth rates of GNP, but it would be misleading to conclude the better nutrition therefore makes for faster economic growth. Microstudies of the impact of investment in humans on their productivity are inconclusive because success for one group may be at the expense of other groups outside the map of the study. Thus, raising the money incomes of some members of the poorest 30 percent may push up the price of food and further impoverish the remainder. Yet, the combination of econometric studies and microstudies can make a persuasive case for human development as an influence on productivity and growth. The microstudies might throw light on the causal relationship, and the macrostudies on the wider repercussions of the microstudies.

Another unsettled question is the manner in which international support for basic needs approaches should be mobilized. It is now fashionable to stress common or mutual interests as the basis for policies for international cooperation. Yet a set of policies based on national self-interest of Northern countries is likely to meet basic needs only by a fluke of coincidence. The type of political support mobilized, the policies adopted, the countries and sections of the population benefiting, are all

different if policies of national self-interest are adopted from what their shape would be if basic needs were written on the banner. It is sometimes argued that the world-wide promotion of food and agriculture, like that of energy, is in the interest of the North. But the measures needed to feed the hungry, and to eradicate malnutrition, are not in the self-interest of the Northern countries. There is something in the nature of a public good in meeting the basic needs of the deprived. But the basis is moral, not national self-interest.

Finally, an unsettled question is the relation between poverty eradication and reducing income inequalities. Logically, as long as we do not define poverty entirely in relative terms, the two are quite distinct. It is possible to eradicate poverty rapidly while the rich get richer even faster; and it is possible to reduce inequality, while the poor are getting worse off. (Perhaps this had not been considered until the current depression because growth was assumed as normal.) Yet, in actual fact, countries that have rapidly reduced inequality have also performed well in reducing poverty, and countries that have grown rapidly while inequality has increased have left poverty largely untouched. South Korea, Taiwan, Sri Lanka, Costa Rica, Yugoslavia, the People's Republic of China, Israel, fall into the former group, Brazil, Mexico, and Indonesia into the latter. A possible exception is Kuwait, where poverty (of Kuwait citizens, not of the large group of immigrant workers) has been reduced, while inequalities have increased. But the large oil wealth suggests that this is the exception. The association between poverty reduction and reduction of inequality in the context of growth is thus an empirical one that calls for an explanation, which is not as obvious as it may seem.

NOTES

1. B. Seebom Rowntree, Poverty: A Study of Town Life (London: Macmillan, 1901); and Peter T. Knight and others, "Brazil: Human Resources Special Report" (Washington, DC: World Bank, 1979).
2. See Robert Packenham, Liberal America and the Third World, (Princeton, 1973) pp. 123-129 and Paul Streeten and Associates First Things First, (Oxford University Press, 1981) Appendix.
3. About the relation between capabilities and basic needs, see A.K. Sen "Goods and People", Plenary Session paper to the 7th World Congress of the International Economics Association, Madrid, 1983.
4. See the discussion of the doux commerce thesis in Albert O. Hirschman, "Rival Interpretations of Market Society", Journal of Economic Literature, December 1982, Vol XX Number 4.
5. Robert Nozick, Anarchy, State and Utopia (New York: Basic Books, 1974), p. 269.
6. "Theses on Feuerbach," in Karl Marx and Fredrick Engels, Selected Works (Moscow: Foreign Languages Publishing House, 1958), p. 405.
7. Albert O. Hirschman, Journeys Toward Progress (New York: Twentieth Century Fund, 1963), pp. 237-38.
8. It also prolongs productive lives, though this can be of doubtful productive value if the opportunities for productive employment are limited.

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