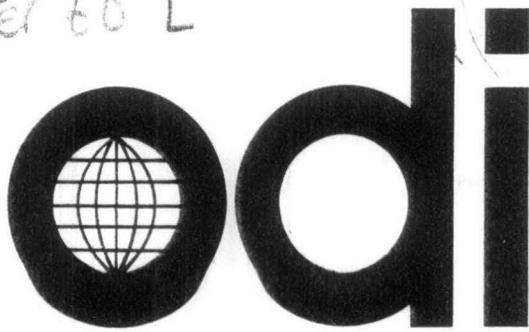


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## Briefing Paper

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### BASIC NEEDS

The expression 'basic needs' and 'a basic needs approach to development' are being used increasingly in discussions about development. The first part of this briefing paper will consider the background to the basic needs debate and the second part will focus on some of the implications and issues.

#### Part 1: Concepts and their Sponsors

Concern with the condition of the poor, and expressions such as 'basic needs', have existed for thousands of years. The current re-emphasis of them in development circles mainly arose in the 1970s, to some extent as a reaction to the emphasis on economic growth and other macro-economic development policies which have predominated since the end of the Second World War and which paid little direct attention to the problems of the poor. While it is impossible to be precise about which people, events, or statements have had most effect in arousing the present concern with basic needs the following statements are commonly believed to have been very influential.

- (a) *The Cocoyoc Declaration* (1974). This was a statement issued by a group of natural and social scientists at the end of a United Nations seminar on patterns of resource use, environment, and development strategy. It was concerned to reorient development towards people.
- (b) *What Now - Another Development?* (1975). This was a report by a group of individuals, on the initiative of the Dag Hammarskjold Foundation, prepared on the occasion of the Seventh Special Session of the United Nations. It argued, inter alia, that political and psychological as well as physical needs are important in development.
- (c) *Catastrophe or New Society? A Latin American World Model* (1976). This was prepared by a group of scholars under the auspices of the Bariloche Foundation in Argentina which was concerned to criticise the Club of Rome's *Limits to Growth*. It argued that the obstacles to development are primarily socio-political.
- (d) *Reshaping the International Order* (1976). This was a report commissioned by the Club of Rome, written by experts under Jan Tinbergen, which supported the theme of basic needs.
- (e) *Employment, Growth and Basic Needs* (1976). This was the International Labour Office (ILO) report written for the World Employment Conference of June 1976; and it partially drew on previous work by the ILO in country reports on Kenya, Columbia, and Sri Lanka.

In addition to these public statements the apparently successful experience of China in meeting some basic needs of its people has also had great influence.

#### *What are Basic Needs?*

There is no single universally accepted definition of 'basic needs', or of what a development effort aimed at meeting basic needs would comprise. Nor is there a uniform vocabulary to describe the various elements. There is, instead, a wide spectrum of meanings ranging from, at one extreme, a minimal list of those things which are required by human beings for bare survival, eg food, shelter, and clothing to, at the other extreme, an emphasis that human needs are not only physical but also psychological, not absolute but relative to what is enjoyed by other people in society, not finite but expanding as the satisfaction of one need gives rise to another. At this inclusive extreme basic needs include not only commodities but also public services such as clean water and transportation, employment, education, participation in decision-making, leisure, human rights, democracy, an egalitarian society, self-reliance, and more besides. There is also considerable diversity of opinion as to what constitute the 'ends' which are desired as valuable in themselves and what are the 'means' which are inescapable if those ends are to be achieved. The vocabulary also is diverse, but 'basic needs', 'material needs', 'core needs', 'minimum needs' are expressions that tend to be used for needs at the more minimal end of the range; while 'non-material' needs, basic 'human' needs, 'fundamental' needs tend to be used for the more inclusive end. A similar progression from more minimal to more inclusive is given by the series life-sustaining, life-supporting, life-enhancing, and life-enriching needs.

#### *What is a Basic Needs Approach?*

The basic needs approach is a concern to provide people with their basic needs. It is not a new economic or social theory akin to Keynesian or Marxist methods of analysis. Indeed it may equally well be adopted by proponents of either of these schools or by those of even more divergent political persuasion. The basic needs approach has little to do with methods of analysis. It is, rather, a bandwagon directed at a series of priorities for action. Its momentum springs from dissatisfaction with the achievements of development efforts so far; but it has no single coherent set of theory behind it. In contrast to other approaches those who advocate a basic needs approach are likely to give more emphasis to the poor and destitute than to other economic groups, to requirements determined by society as a whole than

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to the preferences of the individual consumer, to immediate consumption than to investment for the distant future, to the detailed composition of consumption, in terms of specific quantities and specific goods and services, than to overall income. However, except in respect of the last of these items, these are tendencies in behaviour rather than components of an overarching and distinct ideology. The main points of distinction between a basic needs and previous growth-oriented approaches lie in its concern with the more immediate rather than the more distant future and with the distribution of the benefits of growth among the poorest. Nevertheless it is not against growth. Indeed rapid and substantial growth will be required if basic needs are to be met within the target period, commonly set at twenty years. The approach's main distinction from the 'redistribution with growth' school of thought lies in its greater concern with the details of supply and demand and with restructuring the production processes in favour of the poorest, a restructuring aimed both at providing them with income-earning opportunities and with the goods and services they need. Some advocates of a basic needs approach stress self-reliance and participation by target groups in making the decisions which affect them.

#### *The Adoption of a Basic Needs Approach*

In 1976 a World Employment Conference was held under the auspices of the ILO. It was attended by delegations from 121 member states, and each delegation included representatives of government, employers, and workers. The basic working paper for the conference was *Employment, Growth and Basic Needs* [already cited]. While there was some disagreement during discussions, the Conference adopted by acclamation (albeit with reservations) a Declaration of Principles and a Programme of Action. Its provenance has given this Declaration some authority and publicity, and for this reason, rather than because of any intrinsic superiority, the remainder of this briefing paper will adopt as its standard definition of the Basic Needs approach the following extract from the declaration.

'Strategies and national development plans and policies should include explicitly as a priority objective the promotion of employment and the satisfaction of the basic needs of each country's population.

Basic needs, as understood in this Programme of Action, include two elements. First, they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport, and health, education, and cultural facilities.

A basic-needs-oriented policy implies the participation of the people in making the decisions which affect them through organisations of their own choice.

In all countries freely chosen employment enters into a basic-needs policy both as a means and as an end. Employment yields an output. It provides an income to the employed, and gives the individual a feeling of self-respect, dignity and of being a worthy member of society.

It is important to recognise that the concept of basic needs is a country-specific and dynamic concept. The concept of basic needs should be placed within a context of a nation's over-all economic and social development. In no circumstances should it be taken to mean merely the minimum necessary for subsistence; it should be placed within a context of national independence, the dignity of individual and peoples and their freedom to chart their destiny without hindrance.'

The conclusion to the World Employment Conference does not, of course, mean that every country has now embarked on implementing or assisting a Basic Needs approach. The attitude of the governments of developing countries to Basic Needs, especially as an issue for international discussion, has been circumspect. They have seen in it an attempt by developed countries to interfere in domestic politics in developing countries, to shackle developing countries' economies with outmoded technology, and to divert attention away from other issues, such as reform of commodity markets, international debt, and volumes and conditions of aid, which may have unfavourable implications for developed countries. Among the developed countries and donor agencies (apart from the ILO), the World Bank, UNEP, UNICEF, and USAID have shown the most enthusiasm for a Basic Needs approach although each has its own particular interpretation of what it should mean. The British government has been among those showing the least enthusiasm, and, in company with some other developed countries, has expressed a fear that emphasis on basic needs may lead to too little priority being given to self-sustaining growth. Inevitably, also, governments of developed countries have tended to approach the Basic Needs issue with an eye to what it may mean for their own interests.

It can be argued that a number of developing countries have already started to implement a Basic Needs approach. China, Taiwan, Mexico, Cuba, Tanzania, and Sri Lanka are among those countries most frequently mentioned in this respect. The argument may be based either on policies undertaken to achieve a more equitable distribution of productive assets, eg land-reform programmes, or on welfare programmes for the provision of particular cheap, free, or plentiful commodities and services. Such policies and programmes are, of course, normally undertaken for domestic reasons and not in compliance with the resolution of the World Employment Conference which, in most cases, they long pre-date. However, the language and concepts of the Basic Needs approach are beginning to appear in the development plans of some developing countries.

#### **Part 2: Implications and Issues**

The adoption of a Basic Needs approach, and, with it, the definition of a specific set of basic needs for a country or region constituting a minimum acceptable standard of living, will identify a group or groups of people falling below the minimum whose position must be improved, and will provide a concrete set of targets against which to measure progress. It will not, of itself, provide instruments by the use of which progress will be made. How is the progress to be achieved; and what issues will be raised in its achievement? The rest of this paper attempts to identify some of the issues involved.

Two major themes can be identified in the concern to ensure that the defined basic needs of the target groups

are met before a target date. One theme is concerned with providing the groups with enough resources (income) and the other with how they expend them. Within the first theme there are two alternative strategies. One ('trickle down') is to achieve such a high rate of overall economic growth that even the poorest target groups benefit sufficiently from it without the necessity for explicitly redistributive policies. The other strategy is a deliberate change (redistribution) in the proportional distribution of income and wealth between rich and poor. Such redistribution may be done by transfer taxes and income benefits, by changing the future pattern of investment in order to improve the productivity or consumption of the target group, or by redistributing existing productive assets (eg by land reform). Each alternative strategy will have different effects in terms of growth. There is no disagreement that a much longer time with a given rate of economic growth, or a much higher rate of economic growth within a given target period, will be required for basic needs to be universally met if no redistribution takes place than if it does. There is some scope for disagreement as to whether it is easier for governments to achieve the necessarily higher growth rates that will be required if redistribution does not take place or the radical redistribution that will be necessary if a lower growth rate is attained. In any case since redistribution of income and wealth will substantially alter both relative prices and the patterns of production and consumption there will be considerable statistical difficulties in obtaining an unambiguous measure of the actual rate of growth. While the first strategy, 'trickle down', has some supporters, most advocates of Basic Needs policies have come down in favour of redistributive measures.

The second major theme concerns the way in which individuals or families spend their income. Will they be allowed to spend it however they wish, with unconstrained market forces determining the pattern and price of supplies? Or will government intervene, directly supplying some commodities or services from its own activities, subsidising, rationing, taxing, regulating, or prohibiting the supply of particular commodities or services whose consumption it wishes to promote or restrain? Unless government does intervene directly in some way to regulate the pattern of demand and supply, then a Basic Needs policy is, in its *material needs*' aspect, no more than a Minimum Incomes policy, with the minimum requisite income set at that level at which consumers will in fact automatically choose to spend it in such a way as to purchase the requisite minimum amounts of the specified Basic Needs. The level of minimum income at which it will be spent so as to cover all the basic material needs is likely to be much higher where consumer's sovereignty is quite unfettered than if government intervenes deliberately to influence the pattern of demand.

Adherents of a Basic Needs approach tend also to be advocates of government intervention in establishing patterns of demand and supply; partly because they see the effect of redistribution of income and assets and of identifying target levels of basic material needs as enormously increasing the demand for the commodities and services required; partly because the particular technology used in meeting the demand will have important effects on the level and pattern of employment and so on the opportunities for the target groups to

obtain jobs. In neither case do they feel that market forces alone will produce the optimum result.

#### *Political and International Dimensions*

A Basic Needs approach has important political dimensions within the country in which it is to be implemented. Whether preceded by coercive redistribution of income and assets or not, the successful implementation of the approach will further change the distribution of income and of economic power, by making the weak more productive and better able to assert themselves. It is barely credible that success in meeting the targets even just for the material basic needs would not be accompanied by a substantial and irreversible shift in political power, and probably, therefore, also of political personalities. Some Basic Needs approaches treat such a shift as an end in itself. In practice *any* form of economic development tends to threaten some existing power groups within a country; redistributive policies do so in a very clear way; and the sort of Basic Needs approach which combines redistributive policies with overtly political elements, such as participation in decision-making, presents an undisguised challenge to the existing power groups. History is full of examples of both peaceful and violent political change, imposed on and by governments, so that it would be absurd to assert that a Basic Needs approach *can not* be adopted without violent revolutionary change. Nevertheless its sincere adoption presents great difficulties to governments, and is likely to be characterised by a crab-like approach, trying to build up ad-hoc alliances for particular elements in sequence rather than by a head-on assault. Some adherents of a Basic Needs approach, by simultaneously demanding land reform, high taxation, changing the terms of trade in favour of rural areas, more emphasis to social services in rural areas at the expense of urban, more rights for women, educational reform, decentralisation, and debureaucratisation, appear to give inadequate attention to how to mobilise effective support in favour of reform and to how to protect the weakest against a backlash from the strong.

A Basic Needs approach that involves redistribution will also have important effects on international relations. The pattern of income and demand for goods that would follow the successful implementation of a Basic Needs approach would be likely to change a country's international trade in two ways. There would be less demand for luxury consumables and high-technology capital goods mainly from developed countries; and there might be less supply of some traditional exports as a change in the pattern of domestic demand, and the redistribution of productive assets such as land, disturbed previous production and trading patterns. Overall, international trade might play a lesser part in a country's economy. There is certainly likely to be a change in its composition and therefore also in its direction. Multinational corporations might find it less profitable and less easy to locate and manage subsidiaries in countries that adopted a redistributive Basic Needs approach. At the same time the kind of reforms implicit in a Basic Needs approach would be greatly assisted by an increased flow of concessional aid, although the demand would probably be for less capital-intensive and less project- or donor-tied aid than hitherto. Emphasis on a Basic Needs approach, as on Human Rights, is likely to give developed countries a useful bargaining and delaying tactic in North-South negotiations and in the implementation of any results of the negotiations. In some developing countries, but in only a few and not those containing many of the world's

poor, aid donors may have sufficient leverage that pressure by them might have a significant effect in altering the recipient government's policy in respect of Basic Needs.

#### *Economic Management*

As well as having strong implications for redistribution of income and assets, for the balance over time between consumption and growth, for the identification of specific needs and target groups, and for managing and directing demand, a Basic Needs approach requires success in a large number of different aspects of economic management. In the case of most of these, eg creating employment, overcoming supply bottlenecks, obtaining adequate supplies of foreign exchange, establishing appropriate technology, a Basic Needs approach neither raises new problems (except possibly in respect of scale) nor provides new answers. In a few cases, however, it does raise new issues.

One of the new issues is who should decide which needs are 'basic' and at which level to set the minimum targets to be aimed at in respect of each need. Up to thirty years ago such target levels would have been considered as lying solely in the field of expertise of the technical experts (such as doctors, engineers, and teachers) concerned. In the last thirty years economists have strongly argued that setting the standards in one field can not be done solely on technical grounds or without reference to other fields. The Basic Needs literature tends to suggest that needs should be chosen and standards set through a process of public participation, but, apart from some rather naive references to Chinese experience, the mechanics of how this might be done are not spelt out, or are admitted to be unknown.

Not all the activities which a nation must carry out (eg internal security, defence) are included in a (material) Basic Needs package. Questions of priority arise, therefore, between activities inside and outside the package. Nor are the resources available at any moment for the Basic Needs package itself likely to be sufficient to meet all the demands put on them by different components of the package. Questions of choice and priority, how much of what should be done when, will loom large here also. Advocates of a Basic Needs approach tend to denigrate the other systems for determining priorities (eg preferences expressed in the market place and social cost-benefit analysis) which provided techniques for answering some of these questions. An alternative technique, however, suitable for the Basic Needs approach has not yet been devised.

A Basic Needs approach gives strong emphasis to certain services such as education and health, and to some goods normally provided on a public basis, eg clean water. Advocates of a Basic Needs approach correctly identify the efficient (universal, low cost, reliable) supply and delivery of these to the target groups of people as one of the biggest new challenges facing them. In the past such public services have often been captured by the traditional elites. The Basic Needs approach tends to put great emphasis on the usefulness of public participation in management of these services. Some advocates of a Basic Needs approach appreciate that this is a field that is still unknown.

A Basic Needs approach, because of its emphasis on redistribution of income and wealth and on the provision of commodities and public services to those in need rather than to those who can afford them, will probably require a substantial upward shift in the level of taxation,

a shift which may have serious administrative implications (as well, obviously, as political ones) in terms of finding efficient taxation instruments. This problem will be made worse to the extent that a Basic Needs approach also diminishes the import of easily taxed luxury goods. The nature of some of the services included in a Basic Needs approach means that they may be particularly difficult in any case to levy charges on. Nationalisation by the State of previously privately-owned assets (land, economic enterprises) may provide a partial solution to this problem, by providing government with additional revenue-earning assets.

#### *The Environment*

If the target level of particular basic needs were to be set at a low level, if this target, once met, were not then readjusted upwards, and if, also, income were redistributed, then a Basic Needs approach should make less high demands on the environment, and should therefore carry less risk of environmental degradation, than would a policy of high and continuing economic growth. Most adherents of a Basic Needs approach, however, advocate upward adjustment of target levels as circumstances permit; and countries which both have drastically redistributed income and have dominant state intervention in the economy do not, in practice, have a particularly good record in respect of environmental degradation.

#### **Conclusion**

Clearly there is still some uncertainty in the debate about a Basic Needs approach; and more thought and work are required before the general approach can serve as an effective guide for practical action. Among the obvious areas still requiring clarification are the precise ways in which production is to be successfully restructured to meet the needs of the poorest and how priorities for action are to be established. Nevertheless the fact that the concept and slogan of Basic Needs have been so widely adopted demonstrates their strong emotional appeal and usefulness in reviving and spreading concern for the world's poor among a wide audience. Current emphasis on the Basic Needs approach is a timely reminder that towards the end of the Second United Nations Development Decade too many among our fellow human beings still fail to obtain their basic needs.

#### **Reading List**

Amid a large and growing literature on Basic Needs the following are important and fairly non-technical.

1. *Employment, Growth and Basic Needs: A One-World Problem*, Geneva, ILO, 1976, (177 pages)
2. Paul Streeten and Shahid Javed Burki 'Basic Needs: Some Issues', *World Development*, Oxford, 1978, Vol 6, No 3 (10 pages)
3. D.P. Ghai *et al*, *The Basic Needs Approach to Development. Some Issues Regarding Concepts and Methodology*, Geneva, ILO, 1977, (113 pages)
4. *Down to Basics. Reflections on the Basic Needs Debate*, Special issue of *IDS Bulletin*, Vol 9, No 4, Brighton, June 1978, (44 pages)
5. *Chinese Rural Institutions and the Question of Transferability*, Special issue of *World Development*, Vol 6, No 5, Oxford, 1978 (156 pages — but see especially articles by Perkins, Davis-Friedmann, and Lampton totalling 28 pages).