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Economists have often doubted that there are any objective human needs, or have believed that all needs are historically relative. This paper argues that there are, in general terms, universal human needs, and suggests that different economic systems can be evaluated in terms of their ability to satisfy those needs. .

NEED SATISFACTION AS A MEASURE OF WELFARE OUTCOMES

"All persons have an objective interest in avoiding serious harm that in turn prevents them from pursuing their vision of the good, whatever that is." (28) Human needs consist, at least, of the universal preconditions for pursuit of one's vision of the good, i.e. physical health and autonomy of agency. Autonomy requires mental health, cognitive skills, and opportunities for participation in social activity. A variety of more specific "intermediate needs" such as food, housing, health care, education, etc., are valuable because they contribute to physical health and autonomy.

There are both procedural and material preconditions for enhancement of need satisfaction by economic institutions. Procedurally, need satisfaction is increased by rational identification of needs, availability and use of practical knowledge, and democratic resolution of disagreements. Materially, need satisfaction depends on production, distribution, and appropriate use (e.g., in household consumption processes) goods and services relevant to human needs. These criteria can be used to evaluate different economic systems.

Many writers have distinguished three modes of economic organization -- market, state and community. The first two are familiar, and can be represented by the theoretical model of a free market economy, and by Soviet-style central planning, respectively. The third is less familiar, and is not the dominant mode of organization anywhere in the modern world. However, it has been described in such diverse sources as utopian socialist and anarchist writings, the libertarian vision of voluntary communities, and the new school of "democratic communitarianism." Common to these varied approaches is the assumption that economic coordination takes place in decentralized, democratic negotiation, facilitated by the feelings of solidarity, loyalty, and reciprocity within the community.

No real-world economy can rely solely on markets, central planning, or communitarian cooperation. Some mixture of different systems of coordination is inevitable in practice.

Nonetheless, it is useful to contrast the three ideal types in terms of their influence on the satisfaction of needs.

FREE MARKETS AND CENTRAL PLANNING

Does the free market provide the procedural preconditions for need satisfaction? Rational identification of needs is often obfuscated by market activity. The market responds to wants and desires, no matter how urgent or trivial, so long as they are backed by money. Indeed, the market may even generate additional wants endogenously, leading farther away from identification of real needs. The market fares better in terms of availability and use of practical knowledge, allowing the application of the dispersed knowledge of millions of actors; however, the sheer number of commodities produced in market societies may overwhelm consumers, leading to poorly informed decision-making. Finally, democratic resolution of conflict is furthered in some cases by decentralized market processes; yet the market also distorts the political process, in cases where involvement of the state is essential.

The claims of market capitalism are stronger, but still problematical, in the area of material preconditions of need satisfaction. The standard model of a market economy suggests that it excels at increasing production and innovation. Critics have countered that unregulated markets have tendencies toward monopoly, are unable to supply public goods, lead to self-defeating production of positional goods, and satisfy wants only in commodified forms. "Laissez-faire capitalism may be an efficient system for satisfying certain wants by means of commodities, but that is all." (38)

The distribution of goods and services resulting from unregulated markets cannot provide entitlements to basic needs for all, even in rich societies. Household and family relationships, within which consumption largely occurs, are in part eroded by market society; in part, however, gendered inequalities within households are perpetuated by markets, affecting the levels and distribution of need satisfactions.

Soviet-style state planning and control of the economy fails on most of the procedural requirements for needs satisfaction. Rational identification of needs occurs only to the extent that central planners can correctly define society's needs, as in wartime or other emergencies. Under normal, peacetime conditions the planning apparatus is likely to misstate or distort actual needs. Application of practical knowledge is severely limited; democratic resolution of conflicts is virtually unknown.

In terms of material preconditions for need satisfaction, state socialism has several advantages over capitalism in principle. Production for basic needs can receive priority; entitlements and egalitarian distribution can be ensured; household relationships and the status of women can be transformed by supportive social policies. In practice, central planning has encountered growing problems of coordination as development proceeds, failing to produce the goods people want, or to provide incentives for improvement in production. Egalitarian distribution is limited by special privileges for the elite, and by shortages and queues, which add to the burdens of the persistent, gendered division of household labor.

In short, both a pure market economy and a pure command economy suffer from procedural and material drawbacks as institutional settings for the satisfaction of needs.

COMMUNITY AND COMMUNITARIANISM

Utopian visions have defined the communal economy as a society of absences: one without markets, money, the state, hierarchy, inequality and scarcity. Such visions have often been rejected as unrealistic or ill-conceived. Yet there has also been a renewed interest in communitarian alternatives in recent years. The great advantage of a communitarian economy would be a procedural one: by allowing dialogue and direct democracy, it would facilitate learning about needs and how to meet them. Application of experiential knowledge and democratic resolution of conflicts would be the norm. In an environment of trust, reciprocity, and moral obligation, "collective needs can be asserted over individual wants as the dominant goal of a communitarian economy." (43)

On the other hand, there are fundamental procedural problems with communitarianism. Intense communities may become coercive in their agreement on values, undermining the autonomy of individual members. If membership is voluntary, "misfits" and outsiders may not be accepted by any community, necessitating some form of state intervention or provision for their needs. Solidaristic communities in general run the risk of becoming parochial in their view of insiders versus outsiders.

In terms of material preconditions for the satisfaction of human needs, the communitarian alternative has barely been developed. Coordination within communities is difficult enough, and coordination between communities is still more intractable (unless it reverts to market or state planning mechanisms). Likewise, the problem of distribution within communities, and the persistence of issues of household labor and gender inequality, are often overlooked by communitarian writers. A realistic communitarianism must integrate the benefits of community with a continuing role for the market and the state.

SUMMARY

The three systems may be summarized by describing their ideas of human needs:

Free market capitalism essentially equates needs with wants, an equation that is logically flawed and morally untenable. State socialism by contrast operates with an idea of universal and objective need but equates this with the views of the party and state functionaries. Need is identified with one particular form of codified knowledge, which reflects constellations of power incompatible with the pursuit of truth. Communitarian models interpret need as those interests defined by particular cultural groups or communities. They thus make relative the idea of universal human need and denude it of an evaluative or moral role. None of the three systems embody a notion of human need that is universal and objective, yet open-ended and cumulative. (45-46)

The article goes on to advocate a form of mixed economy combining elements of market, planning, and negotiated coordination as the best feasible economic framework for improving need satisfaction.