CHAPTER 2

ECONOMIC DEVELOPMENT AND THE BASIC NEEDS APPROACH: AN OVERVIEW OF LITERATURE

In this chapter, an attempt has been made to present an account of the theoretical and methodological developments relating to the basic needs approach. The main purpose here is to list out the methodological issues involved in various studies, and also to critically examine each of them in the light of the global developmental experiences in general and those of the developing and underdeveloped countries in particular. This may help in the understanding of the complex relationships between and among aspects such as education, basic needs, and economic development. Keeping in mind various strands and shades of issues and pertaining to each of the above, an attempt has been made to divide this chapter into three sections. The first deals essentially with conceptual framework of basic needs approach and the related studies. The second examines the concept of education as a basic need as well as the studies reflecting relationships between education and the levels of socio-economic well-being. The last section is an attempt towards critical appreciation of the issues discussed in the previous sections.
2.1 Basic Needs Approach: The Debate

The perspectives of development have been changing over the years in a rapid fashion to accommodate themselves to changing needs and perceptions of the people and the economies. Accordingly, the proposals for solving the developmental problems have been overwhelmingly large and varied in nature. The last three decades have witnessed a steady stream of proposed solutions from the dominant western schools of thought with many variants of Marxist analysis and prescriptions for the elimination of underdevelopment (Ghai, 1977: 1). The basic needs approach to development is one of such 'utopia' (Vittachi, 1976) and of recent origin as a forum of logical reaction to the earlier development strategies.

The paradigmical shift in the process of development has been recognized and studied mainly because of the failure of planned economic development to improve the living conditions of the poor. The process of simultaneous growth of income and continuance of poverty has left the economists with no option but to think of another alternative strategy. The most immediate solution has emerged as the state takes a lead role in the form of intervention in alleviating poverty and sustaining development (Kohli, 1987: 223). The strategies of development may be divided into two main approaches such as growth-oriented and basic needs with only one fundamental difference between them. The former approach is based on income while the latter on supply of basic services. Nonetheless, they have some common programmes in them.
also. More importantly, none of the strategies has been followed completely in isolation from the other in any of the countries today. Therefore, it may not be possible to assign a particular period of operation to any of the strategies. However, the growth strategies emphasizing growth, employment and poverty alleviation broadly emerged as separate entities in that order, while basic needs approach followed them as the latest addition to the school of developmental thinking.

The growth-oriented approach emphasized the capital intensive modern sector demanding for a relatively high level skill from the average worker. It resulted in meagre employment opportunities and a widening gap between the urban and rural areas. To counteract this effect, employment-oriented approach was followed with special emphasis on increasing employment in the rural and informal sectors. As employment in these sectors is difficult to measure, the strategy shifted to anti-poverty approach. This emphasized income or production per person, particularly the small holders, and public employment schemes for landless labourers. Though this approach contained some basic needs elements, because of its exclusive attention to income the supply of basic services was out of contention as an essential step by the government for poverty alleviation (Hopkins and Van Der Hoeven, 1986: 24). As a result, satisfaction of basic human needs such as health, education, water, etc. could not be attained as it takes place outside the market system. This led to
the emergence of basic needs approach with sole concentration on the direct supply of goods and services that would satisfy the needs of the poorest (Lisk, 1977a).

2.1.1 Origin and Evolution of BNA

The earlier development strategies put major emphasis on GNP or GNP per capita and their growth rates as the principal performance test of development. The most important considerations were that economic growth would automatically tend to 'trickle down' to the poor so that they may attain better standards of living, without any direct intervention from the state. In such an event where the suggested sequence fails to occur on account of economic or social structural obstacles, the state shall intervene and take corrective measures (Hicks and Streeten, 1979: 567).

The Indian experiences have indicated that neither of the above assumptions turned out to be valid (Karkal and Rajan, 1991: 443). As a result, a large number of people have been found to have been left out from benefiting from the fruits of economic growth, thereby resulting into poverty and deprivation. The experiences of the developing countries, even with higher rates of growth, have been no exception (Van Der Hoeven, 1988; Kohli, 1987: 1). Most of the developing countries are still nursing the impact of 'vicious circle of poverty' (Bequele and Van Der Hoeven, 1980: 390; Myrdal, 1973: 28), where about 18 million people die out of starvation and hunger related diseases of which
about 15 million are children. In 1970's, the number of hungry children increased by 25 per cent and child mortality in Sub-Saharan Africa was 100 per cent higher than that in the developing countries (WCED, 1987).

The number of people in developing countries, who receive less than the minimum required food energy as determined by FAO, increased from 368 million during 1969-71 to 424 million during 1974-76, Similarly, only one-fifths of the population have access to water supply and two-fifths remain without shelter (Burki and Haq, 1981: 176). The level of basic needs satisfaction in food, clothing, shelter, education, health, water and sanitation has not improved to any considerable extent in the developing countries of Latin America, Africa and Asia (RIS, 1986 and 1987; South Commission, 1988).

The research has shown that improved income distribution as a consequence of anti-poverty measures does not result in increased access to basic needs satisfaction (Sheehan and Hopkins, 1978b; Leipziger and Lewis, 1980; Ram, 1985: 593). If higher growth and improved income distribution could not improve the level of basic needs satisfaction of the people, there is certainly a need to find out the reasons for this deficiency. And here, possibly two factors may need to be mentioned. They are: deficiency in the supply of basic goods and services and lack of awareness on the part of the population to perceive these needs. These factors mostly depend on the role of government intervention. Thus, including within itself the feature of public
provision for the availability of basic needs to the specific target groups the basic needs approach has become an appealing strategy for the world community for improving the standards of living of the poor.

The dissatisfaction with the level of development under the guidance of earlier strategies led the UN International Development Strategy of the 1970's to adopt a resolution for more equitable distribution of income and wealth, considerable increase in employment, better nutrition, and housing facilities (UN, 1970). This was further strengthened by the Declaration of the Seventh Special Session of the United Nations (UN, 1975). The ILO and the World Bank have also underlined the same in their research programmes (ILO, 1970, 1971, 1972, and 1973; Chenery et al., 1974).

The Lima Declaration (UNIDO, 1975) passed a resolution that by 2000 A.D. the share of LDCs in manufacturing should increase to 25 per cent from only 7 per cent in 1973. The Tripartite World Conference, on 'Employment, Income Distribution and Social Progress, and the International Division of Labour', called for including 'satisfaction of an absolute level of basic needs' in the national development plans (ILO, 1976). The World Bank in its effort to supplement the movement called for meeting the basic human needs of the absolute poor by the end of the present century (Streeten and Haq, 1977). Incidentally, India was the first country in the world to treat basic needs satisfaction in her development plans in the early 1960's under the strategy...
which came to be known as Indian National Minimum Needs Programme. Since then the strategy continued to get recognition from the successive Five Year Plans (Govt. of India, 1980).

Thus, the current discussion of basic needs oriented development focuses on the alleviation of poverty through a variety of measures other than merely on redistribution of incremental output (UN, 1954 and 1961). Since BNA has been considered by international agencies like the World Bank and the IMF as the most effective instrument for the betterment of the Third World, it can be an ideal instrument for giving necessary impetus to work on social indicators of the developing countries. This may help to evolve important policy measures relating to international comparison of performance in basic needs and relative aid levels for it. The basic needs indicators would provide an useful support to study the gap between rich and the poor countries in their levels of basic needs satisfaction and policies relating to growth of output, trade, investment, infrastructure, etc.

2.1.2 Definition and Features

The basic needs approach to development begins with the objective of providing opportunities for the full physical, mental and social development of the human personality, and then derives the ways for achieving this goal (Streeten, 1977: 9). It emphasizes on the end of providing particular resources to particular groups that had been identified as deficient in these
resources. For instance; educational facilities may be extended to those who cannot afford to go for education on their own income. Similar may be the case for other basic needs as well. Therefore, it concentrates on the nature of what is to be provided rather than on income per se. Although, it embraces certain components of previous strategies, its emphasis has shifted towards provision of social services. These services may be in the form of nutrition, health and education not only as a means towards helping the poor but also as an effort towards improving the quality of social and environmental conditions of human existence. It certainly appears to be having a more positive framework and objectives than those stated by growth inducing and unemployment reducing theses.

The processes that keep some segments of the population as poor are the result of an unequal distribution of income, unequal access to centrally provided services and the consequent concentration of the fruits of economic growth in a fewer hands. So the countries, which underwent an initial distribution of assets as a result of internal revolution or of external forces, have shown better performance in meeting basic needs than those who have only depended upon the market forces.

The state is dominated by the relative power of the various socio-economic classes. Its policy measures also affect the relative power of these classes through the economic system by influencing economic processes to their own benefit. Therefore,
the level of basic needs satisfaction for each of the socio-economic class may not be the same (Hopkins and Van Der Hoeven, 1986: 22).

The political and economic systems are as important as the state in realizing the basic needs objectives. Because, the country studies of the World Bank convince the analysts that reallocation of resources towards alleviation of poverty and meeting basic needs involves considerable structural changes in the political and economic balance of power within the societies (Burki and Haq, 1981: 169). These structural changes have been carried out in a wide variety of political and economic systems, from market-oriented economies of South Korea and Taiwan to mixed economy of Sri Lanka, to centrally planned economies of China and Cuba, and to decentralized socialist economy of Yugoslavia. So there is no unique system that can be followed. But the important fact is that the operation of basic needs strategies through these divergent country set-ups are based on some common criteria. They are equitable distribution of physical assets, particularly land, and decentralized administration and decision making with sufficient central support.

Conceptually, the BNA is now considered as the most comprehensive and integrated approach to development. According to Dharam Ghai (Ghai, 1980: 368), a government programme may be defined as a basic needs activity if it incorporates some or all of the following features:
i) it raises incomes of the 'poverty groups' to specified levels over a given period through creation of employment, redistribution of assets, and measures to enhance productivity;

ii) it directly contributes to the achievement of the targets established in respect of core basic needs like nutrition, health, education, housing, and safe drinking water supply;

iii) it increases production of other basic goods and services purchased by low-income groups from their disposable incomes; and

iv) it promotes decentralization of power, people's participation in political decision making, and self-reliance.

2.1.3 Determination of Basic Needs

Many researchers in the past have tried to define basic needs (Booth, 1900; Rowntree, 1901; Maslow, 1968; Alderfer, 1972; Heller, 1976). Similarly, recently various international organizations and important experts in the field have tried to prepare a list (see Notes at the end of the chapter) of the components of basic needs. Some of them have been presented in a global framework. The OECD countries have worked out on a list of common social concerns that constitutes the components of basic needs for improving the quality of life (Carr-Hill, 1978a). However, it may not be possible to define basic needs in a class-based society. Because, the landlords, peasants, workers, capitalists and rentiers determine their needs in relation to the specific group they belong to and not to their objective human essence (Standing, 1977).
The large volume of literature in the last ten years has failed to evolve a common formula for determining basic needs and their measurement (Hicks and Streeten, 1979: 575; Streeten, 1984: 973). There is conflicting evidence on the connection between the choices actually made by the poor and the basic needs as determined by the nutritionists and doctors. From Rowntree's study of poverty in York in 1901 (Rowntree, 1901) to the World Bank report on Brazil in 1979 (Knight et al., 1979), it has been observed that many people, despite of having adequate incomes to buy basic consumption goods and services that would keep them well nourished and healthy, do spend on things which are not at all necessary for their healthy physical living, and therefore suffer.

The basic needs could be viewed as objective basic needs and subjective basic needs. The former may include minimum quantities of food, clothing, shelter, education, water and sanitation, and health care as determined by the experts. The subjective basic needs may mean consumers' wants as perceived by the consumers themselves (Streeten, 1984: 974). The basic needs also emphasize the non-economic and non-material aspects of human autonomy like freedom and opportunity to participate in decision making, and to formulate and implement projects. The material and non-material basic needs respectively constitute the 'first floor' and 'second floor' in the order of priority (Vittachi, 1976; McHale and McHale, 1978; Streeten and Burki, 1978). In essence, basic needs may be considered as means to an end, the end referring to living
and improvements in its quality. While employment is not considered as a basic need by some (Hopkins and Van Der Hoeven, 1980), it is considered to be so by others (Vos, 1982 and 1988a). Thus, the controversies are yet to be solved amicably. However, basic needs should be defined in relation to the level of development of a country or a section of the population. An 'ideal type' formulation of what may constitute its indicators can be meaningful only when it is integrated on a graduated scale of development.

The rationale of BNA is that the direct provision of health services, education, housing, sanitation, water supply, and adequate nutrition is likely to reduce absolute poverty more immediately than alternative strategies which merely rely on income (Burki and Haq, 1981: 168). The arguments in support of BNA are as follows:

i. growth strategies fail to benefit the poor because of uneven distribution of economic opportunities;

ii. the productivity and incomes of the poor depend on the direct provision of health and education in the first place;

iii. it may take a long time to increase the incomes of the poor so that they can afford basic needs;

iv. the poor and illiterate tend not to spend their income wisely;

v. facilities like that of basic services can only be provided publicly; and

vi. it is difficult to help all the poor in a uniform way in the absence of basic needs provision.
However, for finding out the determinants of basic needs and their nature, a number of studies have been reviewed. According to the Wheeler's study (Wheeler, 1980b: 442), life expectancy at birth can be regarded as a suitable indicator of health status of a population, and that basic needs variables like nutrition and education have positive impact on life expectancy. An interesting result of the study is that impact of health determinants reduces on the attainment of higher levels of life expectancy. The study also finds out that as population gets richer, improvement in health care are more likely to occur. This suggests that improvements in the level of basic needs satisfaction in health care, etc. are a positive function of incomes of the population.

The Sheehan-Hopkins' study (Sheehan and Hopkins, 1978a) investigated the impact of population growth and GNP per capita on health status. They came to the conclusion that population growth had negative while GNP had positive impact on health status. It is important to note that they took GNP as a proxy variable for nutrition, water supply and sanitation, medical personnel, and education. But as the GNP was taken as a proxy variable for basic needs it is not possible to predict an improvement in the levels of basic needs satisfaction following a growth in GNP. On the other hand, as one would see later, some studies have observed weak relationship between GNP and indicators of basic needs satisfaction.
Guy Carrin (Carrin, 1984), in his basic needs model, investigated the linkages between the determinants of health status (life expectancy, child death rate, and crude death rate) and the determinants of basic needs satisfaction (physicians per thousand population, nurses per thousand population, daily calorie supply per capita as percentage of requirement, percentage of population having access to safe water, and adult literacy rate). He found that they are significantly related. Obviously, death rates were negatively, while life expectancy was positively correlated with basic needs variables. Though GNP was considered an important variable in explaining the variations in the level of basic needs satisfaction, the relationship was observed to be weak. This suggested that economic growth may be necessary but not a sufficient condition for improving the level of basic needs satisfaction. Therefore, he argued for a health programme based on the basic needs approach so that poor health can be attacked in an economically efficient way.

A number of micro level studies have stressed the need for fertility reduction for alleviating health problems in the developing countries. A reduction in fertility means more food will be available per capita that would enhance the nutritional status and as such reduce susceptibility to diseases (Morley et al., 1968; Gopalan and Rao, 1969; Wray, 1971; Kunstadter, 1978). Similarly, a lot of studies reported that reduction of fertility is essential for reducing infant mortality and child death rates (Puffer and Serrano, 1973; Chowdhury, 1974; Omran and Standley,
The nutritional deficiency is a significant direct cause of death (Sommer and Loewenstein, 1975), and a crucial element in explaining the disease rate (Scrimshaw et al., 1968; Puffer and Serrano, 1973; Wray, 1977; Taylor et al., 1978). The studies also observe that the breast-fed infants are less prone to death than formula-fed babies because of attaining nutritional requirements at the early stage of their childhood (Yayasuriya and Soysa, 1974; Chandra, 1979).

The improvements in the conditions of housing and sanitation, and creation of a better social environment through education about personal hygiene improve health of the population to a great extent (Van Zijl, 1966; Schliessman, 1959; Philippines Cholera Committee, 1971; Azurin and Alvero, 1974; Sharpston, 1976; Levine et al., 1976; Curlin et al., 1977; Rajasekaran, 1977; Stanley, 1977; Koopman, 1978). The economic effects of control of diseases have been surveyed by many researchers (Prescott, 1979; Conly, 1975), and also its relationship with mortality rate and population growth (Barlow, 1967; Gray, 1974; Meegma, 1967 and 1969; Newman, 1965, 1970 and 1977). According to Newman's latest study in Sri Lanka, malaria control accounted for 43.9 per cent decline in mortality. If the control of diseases could reduce infant and child death rates, that may go a long way in reducing birth rate and so the overall rate of population growth. Keeping the present levels of economic development as constant, a reduction of population certainly enhances the socio-economic opportunities available per person.
This may well be considered as an improvement in the levels of economic development, even though there has not been any growth in the rate of development at the national level.

The impact of health services on the health status has been surveyed by the Estimesgut Project in Turkey and the Jamkhed Project in India (Gwatkin et al., 1980). According to the Estimesgut Project, neonatal and infant mortality declined by 26 and 50 per cent respectively during 1967-77. The crude birth and fertility rates declined by 24 and 26 per cent respectively during 1967-74 in the project area as a result of rural health care programmes. Similarly, according to the Jamkhed Project, during 1971-76, infant mortality and crude birth rates declined by 60 and 46 per cent respectively owing to interventions in primary health care.

The above studies provide an account of the possible determinants of basic needs and their relationship with the quality of life. The studies, irrespective of the methodologies they have adopted and the nature of data they have used, suggest significant impact of the determinants on the levels of basic needs satisfaction.

2.1.4 Growth Versus Basic Needs

There is a controversy regarding a possible trade-off between economic growth and the achievement of objectives in meeting basic needs. And if there is a trade-off, how short-term it would be and what strategies can be chosen to minimize this
trade-off because of the increasing knowledge of linkages between poverty alleviation programmes and increased productivity (Burki and Haq, 1981: 168). On the one hand, it can be argued that provision of basic needs is a form of consumption transfer away from investment and as such growth will be retarded. On the other hand, it can also be argued that provision of basic needs is a form of investment in human capital, which may be as productive as investment in industry (Singh, 1979: 593; Burki, 1980). But an overall conclusion of the World Bank Study in Sri Lanka, Brazil, Indonesia, Egypt, Mali, The Gambia and Somalia is that, if objectives in income distribution and meeting basic needs are pursued rationally, economic growth need not necessarily be sacrificed. The study also shows instances where the presumed short run trade-off can be avoided, because at present there is considerable waste of resources in sectors that could supply basic needs directly (Burki and Haq, 1981: 169).

The developing countries are passing through a transitional phase of their development. The structural changes that accompany a country's transition from a less developed to a developed state are: (i) accumulation processes of investment; (ii) government revenue and education; (iii) resource allocation processes of structures of demand, production and trade; and (iv) demographic and distributional processes of labour allocation, urbanization, the demographic transition and income distribution (Chenery and Syrquin, 1975). Out of these processes, the developing countries may follow those depending on their resource endowments, access
to foreign capital and socio-cultural organizations. The structural changes are important in a basic needs analysis because of their impact on the relationship between income distribution and economic development. Economic growth may tend to worsen income distribution at first, but this relationship is reversed at higher levels of national income (Kuznets, 1955).

2.1.5 Basic Needs and Development

David Morawetz (Morawetz, 1977) attempted to test two hypotheses in his study. They are: (i) at any given time is there a significant positive relationship across countries between performance on the indices of basic needs and GNP per capita; and (ii) holding constant the initial level of per capita GNP, is there a significant relationship between important indices of basic needs and growth in GNP per capita. His conclusion was that GNP per capita and its growth rate did not provide satisfactory proxies either for the fulfilment of basic needs or for improvements in the levels of basic needs satisfaction. But in a similar study, Frances Stewart arrived at different conclusions. She, in a cross-country study (Stewart, 1979) of basic needs, found that per capita income and past performance in the provision of basic needs are the significant determinants of variation in the basic needs performance such as the level of literacy and life expectancy. Also, she found mutual and reinforcing causation between the fulfilment of basic needs and economic performance.
Chenery and Syrquin (Chenery and Syrquin, 1975) used cross-section and time-series international data to examine the structural changes which accompany the transitional phase of a developing country and their relationship with basic needs satisfaction. Over time they found an interesting relationship between income distribution and economic development: economic growth initially worsens income distribution, while at higher levels of national income further economic growth makes income distribution equitable (Kuznets, 1955). Though one cannot exactly predict the realization of higher levels of basic needs satisfaction following an improvement in income distribution (Sheehan and Hopkins, 1978b; Leipziger and Lewis, 1980; Ram, 1985) at higher stages of growth, equitable distribution is worth attaining an objective.

Adelman and Morris (Adelman and Morris, 1973) made cross-national analysis of two aspects of the development process, i.e., political participation and income distribution. They concluded that political participation is not the automatic result of socio-economic development in the developing countries. This may be because of various rigidities persisting in the political systems of these countries. In case of income distribution, they arrived at the conclusion that absolute income of the poorest 40 per cent population normally declines during much of the process of economic development.
2.1.6 Evaluation of Basic Needs Performance

One of the pioneering studies pertaining to the performance of basic needs provision was carried out in Zambia in 1975 (ILO/JASPA, 1977). The study concluded that heavy dependence of the Zambian economy on the copper industry (one prime source of growth in the country) and negligence of the agricultural sectors worsened the rural-urban terms of trade to the extent that about two-thirds of the rural population had a consumption pattern not commensurate to satisfying essential needs. The implication of this finding is that development of the agricultural sector, on which majority of the rural population normally depend, is as important as industrial development for fulfilment of basic needs of the population. A second report on Zambia in 1981 further supported the conclusion (ILO, 1981a; Van Der Hoeven, 1982).

In Tanzania (ILO, 1978; Van Der Hoeven, 1979), measures were taken to provide the urban population with sufficient incomes to satisfy at least the major basic needs. These measures included nationalization of industries producing essential consumer goods, minimum wage legislation, restrictions on private property, and upgrading squatter settlement. Steps were also taken to provide the rural population with equal access to productive assets and basic services. Despite the above measures, the difference between rural and urban areas in terms of the levels of living is still of a prime concern there. The persisting lower levels of living of the rural population may be due to several interrelated reasons. One of them may be a decline in agricultural production.
in general and a fall in staple production in particular caused by drought, which was the main source of livelihood of the rural population. Secondly, a general economic crisis due to worsening terms of trade of the country because of increase in the prices of oil and industrial products might have reduced the share of resources allocated to the social sectors (ILO, 1981b).

On the advice of ILO employment mission to Kenya in 1972 (ILO, 1972), the Government of Kenya adopted the 1979-83 development plan (Ghai, Godfrey and Lisk, 1979) with interesting departures from earlier plans. The changes were made with respect to targets for poverty alleviation and basic needs by including in it a comprehensive set of measures. This new plan perceived that reduction of income inequality was a major policy objective for alleviating poverty and improvement in basic needs satisfaction. The ILO undertook an analysis of basic needs in Nigeria in 1979 (Seers, 1981; Streeten, 1981) and stressed the need for an adequate level of health. According to the report, due to persisting ill-health conditions in Nigeria, the set of basic needs measures necessarily should be restricted to concentrate on aspects such as nutrition, water, shelter, hygiene, education and safety.

In India, policies have been formulated in the development plans emphasizing the living conditions of the poor. The fifth Five Year Plan (1973-78) incorporated 'minimum level of living approach' which asked for the provision of a minimum income and of essential services. According to Ashok Rudra, the guarantee of
a minimum level of private consumption was left to the growth process which itself remained below expectation, and that measures relating to land reforms and prices were not sufficiently focused towards the attainment of such a goal (Rudra, 1978).

A number of basic needs studies have been conducted in Sri Lanka (Richards and Gooneratne, 1980; Isenman, 1980). According to Richards and Gooneratne, though the country has been successful in providing a minimum level of basic needs, it has ignored the dynamic elements of the strategy like granting access to the poor to productive assets and land reforms. Moreover, it has failed to raise employment and production which are as important as distribution of goods and services for sustaining a minimum level of basic needs satisfaction in the long run. On the contrary, Paul Isenman, in his study, stressed the importance of consumption and distribution, and stated that excessive expenditure on social programmes was not the cause of a deterioration in growth. According to him, lower growth was rather a product of wrong policies on growth and terms of trade.

A study on Thailand provides useful insight into the satisfaction of core basic needs (Poot, 1977). It stressed the need for basic needs planning in a macro-economic framework which was proposed in a study on Bangladesh (Khan, 1977). In Philippines, a special study was conducted to evaluate the satisfaction of core basic needs in a qualitative way (Hopkins, Rodgers and Wery, 1976) along with BACHUE economic-demographic
model (Szal, 1979). The Filipino Ten Year Plan (1978-87) was formulated on the basic needs line with provision for physical needs like nutrition, health, housing, education and clothing. But the strategy had only limited effect. Because, it depended mainly on the income approach and that too in a situation of inequalities in the distribution of income and wealth. This may be due to the fact that income approach does not include within itself the distributive aspect of growth.

A Guyanese study (Standing and Szal, 1979) focused attention on the structural transformation in the form of participation in the labour force and formation of cooperatives for the satisfaction of basic needs. It concluded that structural transformation in the economy as a whole is essential for the success of basic needs policies. They observed that basic needs strategy did not come up to expectations because of the heavy dependence of the Guyanese economy and its labour force on the sugar industry. This dependence made the internal economic structure more rigid due to fluctuations in sugar prices in the world market and as such the income level of the population did not improve in consistent with their demand for basic needs.

A study, in Peru, examined the structural reforms and their impact on the satisfaction of basic needs (Couriel, 1978). But the study was unable to conclude whether these reforms were successful or not. Because, data after the reforms were not available. In Mexico, a study examined the effects of government expenditure on the satisfaction of basic needs. It also studied
the impact of various socio-economic groups on government decisions. But the study drew no policy conclusions (Van Ginneken, 1979). Some more studies on Latin America (ILO/PREALC, 1978) came to the conclusion that both internal and external changes in the economic sector should be effected in order that basic needs of the poorest may be satisfied. One report estimated that 44 per cent population of Latin America could not meet their basic needs of which more than 75 per cent were rural population. It shows that rural population are more adversely affected than the urban dwellers in fulfilment of their basic needs. One of the reasons for this could be inefficiency of the government delivery system to reach the rural population, while the other may be unawareness on the part of the population to perceive these needs.

2.2 Education: A Basic Need

Education is a basic need in any society. The reasons are not far to seek. The values of education are closely related to all spheres of human life, be it social, cultural, economic, or political. Its impact may be felt individually or at the community level. From the standpoint of economic and social factors, a country's educational system is the main instrument for perpetuating the skills of its population. Also, the educational system depends on the prevailing social structure and cultural goals of the population. So there is a two-way relationship between education and population/society. But this
relationship is complex and also confusing to some extent because of the fact that all of its aspects and intricacies are yet to be found out.

The concept of education involves many interpretations. Although, many people would agree with the statement that education is a basic need (ILO, 1977b), it is not wanted for its own sake but for the benefits that it delivers, i.e., its socio-economic effects. Each of these effects is difficult to identify and measure. Because, they are intangible and also connected with a very complex paradigm of human behaviour. The utilitarian approach to education makes it clear that different types of education have specific uses. According to Tinbergen (Tinbergen, 1967; Tinbergen and Bos, 1964), a country needs highly educated population to replace the expatriates. Similarly, to promote rural development, universal education is considered to be most important (UNESCO/UNDP, 1976). Besides, cultural refinement and attainment of social status are non-material uses of education, which may not to be separated even from the hungry masses.

It is here important to distinguish between education and other basic needs. If education is not meant for its own sake, do health, housing, water and nutrition mean for themselves or not. The answer is, to some extent, yes and to some extent, no. But it is certain that the degree of meaning for the benefits that a certain basic need delivers differs from one to the other, with education having the highest. Similarly, within a basic
need sector, say education, its different aspects like primary, secondary, etc. highlight different levels of importance depending on the socio-cultural and economic conditions of a society. However, the debate remains inconclusive.

2.2.1 Education and Basic Needs

A number of studies have investigated the role of education in improving the health status. In a study on the relationship between child mortality and mother's education, Cochrane (Cochrane et al., 1980) concluded that an additional year of schooling of the mother reduces the possibility of infant mortality by 9 per thousand. Besides, he also found that parental education had a negative impact on child and infant mortality (Cochrane, 1984). An early study by Behrman and Wolfe (Behrman and Wolfe, 1979) provided the same conclusions.

Schultz (Schultz, 1979) surveyed data for a sample of 6692 urban and 3421 rural women (aged 30-34) in Colombia and obtained statistically significant negative coefficients when parental literacy levels were regressed on the ratio of children dead to children ever born. Anker and Knowles (Anker and Knowles, 1977) analysed data for 41 districts in Kenya and found negative relationship between literacy and infant and child mortality.

Wood, Jr. (Wood, Jr., 1988), in a state level study of Mexico, found that literacy rates had the strongest negative correlation with child mortality for both 5-9 and 10-14 age groups. Other variables highly correlated with mortality rates
were proportion of infants without milk, the population living in rural areas, the residences without access to potable water, and the death resulting from infectious or parasitic diseases. The per capita income had the weakest negative correlation with child mortality. While almost all the correlations were high, it is worth observing that literacy rates were highly negatively correlated with all the other measures of basic needs satisfaction, suggesting that higher the levels of literacy and education higher will be the levels of basic needs satisfaction. For instance; high correlation between literacy and the consumption of milk by children suggests that a literate population is more likely to have well-fed children, which is consistent with the findings of studies in Nicaragua (Wolfe and Behrman, 1983) and Brazil (Merrick, 1985).

2.2.2 Education and Economic Development

The studies reviewed above have indicated that education was not only an important basic needs in itself (Burki and Haq, 1981; Hicks, 1982; Wood, Jr., 1988) but also that it helped in the realization and satisfaction of a number of other basic needs. Rightly so a majority of developing countries have been laying high priority on expansion of primary education (Burki, 1980). Studies have also shown that primary education has the efficacy in increasing productivity, especially among the poor. And that the rate of return on investment in primary education has usually been significantly high for the individual (Noor, 1979: 17).
Even where the inevitable time for waiting and searching for employment by the educated increased the costs of foregone earnings and eroded the benefits of additional earnings, the rates of return still remained substantially high. Researches have shown that educated farmers are more productive than the uneducated, particularly in modernizing agricultural technology. In South and East Asia, a study (Lockheed et al., 1980) has indicated that four years of school education directly results in about 8 per cent increase in the earnings of the small farmers. In another study, it has been found that public financing of primary education has a strong and positive effect on the distribution of income by redistributing income in favour of the lower income groups (Jallade, 1979: 34).

Colclough (Colclough, 1982: 169-170) summarizing studies in several less developed countries, argues that primary education makes a substantial contribution to economic development and its social rate of return is considerably greater than secondary and higher stages of education. Similarly, according to another study (Selowsky, 1981) the mean rates of return for Brazil, Colombia and Chile are: primary education (25.1 per cent), secondary education (17.0 per cent), and higher education (10.9 per cent).

In a study of 17 major states of India (Zaidi, 1988), relation between economic development and educational attainment has been explored. Here, economic development is measured in terms of per capita income, and educational attainments in terms of literacy rates, enrolment at primary and middle levels and per
capita expenditure on education. The trend observed shows that prosperous states are educationally advanced while poor states are backward educationally with exceptions of Karnataka, Kerala and Tamil Nadu. Also, it observed positive correlation between per capita expenditure on education and economic development. Thus, it concludes that generally states having higher levels of income also have higher levels of educational attainment, but the states having lower income do not necessarily have lower levels of educational attainment.

A study (Mehta, 1988) examined data about 41 Asian and the Pacific countries in order to find out as to how education (literacy rate, gross enrolment, and net enrolment ratios) and economic growth (GNP per capita) are related with each other. It concluded that the countries having low per capita GNP have also lower literacy, GER and NER with some exceptions. Moreover, there is a consistent relationship between GNP per capita and literacy rate with log function as the best fit. According to this study, Asia and Pacific countries may be divided into four sub-groups on the basis of GNP per capita and literacy, GER and NER. This has also been supported by another study (Veeraraghavan and Prakash, 1988).

2.2.3 Education and Socio-Economic Well-Being

Both theoretical and empirical research record immense importance of education in promoting social well-being, particularly in a time when demographic explosion in the Third
World almost threatens the very base of development planning. Education and social life affect each other in a circular manner. The former affects the latter by educating the young to choose their profession. At the same time, the latter affects the former through unequal social status. On the whole, this section analyses the association of education with social inequality and employment.

At the beginning, education was class-based and till now this system continues in some countries. Irrespective of this basis, family influence casts an undoubted authority on education (Sauvy, 1964: 103). Because, education of the child depends, to a great extent, on the economic conditions of the family. Poor families, whether in the developed or developing countries, are not able to bear the financial burden of higher education of their children. In fact, getting elementary education may pose a serious problem for these families, who are already at the brink of their financial balance. Getting into a school does not end the problem there. There is absolute necessity that those entered, should also continue to attain minimum level of education. But thanks to poverty, the poor children come out of the school before any considerable amount of learning. Their social status clearly distinguishes them in all respects from the children of rich families, who are well fed, better housed and better equipped with study materials. So there may come the difference in school performance. This leads to a difference in
the economic opportunities available to the rich and poor children. As a result, difference in social status perpetuates in a 'vicious circle' of inequality.

The discussion may be now shifted to imply the impact of education on social status of individuals. Education inculcates in man a sense of achievement and pride in society. Irrespective of the conditions in the job market, an educated person feels better off than an illiterate. Because, education helps to have access to the information system and to the right of being aware. Besides, a literate is supposed to fulfil his other basic needs like nutritional requirements, household sanitation, personal hygiene and is better informed to perceive the health needs than an illiterate.

Also, when a person breaks the cordon of 'vicious circle' of low social status through education, he is not only benefitted, but also his whole family and the off-springs. This reduces the menace of differential class in a society. Consequently, egalitarian and more equitable distribution of wealth and income become near to possibility.

An individual needs education to rise in society. But the relationship between active population and education has become a subject of study only recently. As such, this relationship is yet to be properly understood. Further, delinking education from jobs or jobs from education has added, to the already large volume of controversies in this area, a fresh discussion in the developing countries especially India with high unemployment rate.
In many countries, a shortage of qualified manpower is experienced in some sectors, while its overflow in certain other sectors is marked clearly. It means that there is no coordination between the supply of and demand for skilled manpower in an economy as a whole. This automatically hinders the balance of the demand for and supply of labour in each sector. While, less qualified cannot be absorbed at the higher level, certainly more qualified are offered less important jobs. This adds to unemployment in the Keynesian sense. Because, according to Keynes those, who are doing jobs requiring the level below their potential, cannot be said to be adequately employed.

2.3 Summing Up

Since the World Employment Conference in 1976 (ILO, 1976) a number of studies varying in nature have been conducted at the country level to evaluate the performance on the satisfaction of basic needs. The basic needs analysis is linked with the questions of distribution of income and wealth. The government policy towards the provision and distribution of basic services also forms an important aspect of this analysis. A common observation of these studies is that the policies required to satisfy basic needs cannot be formulated in isolation from other policies. These policies are generating and distributing employment and income among the population, and distributing national income between capital formation and basic needs consumption.
But the effectiveness of such policies depends on many a national and international factors like trade barriers, tariff systems, inflation, location of target groups, etc. These studies have been carried out in Zambia in 1975 (ILO/JASPA, 1977) and 1981 (ILO, 1981a; Van Der Hoeven, 1982), Tanzania (ILO, 1978; Van Der Hoeven, 1979; ILO, 1981b), Kenya in 1972 (ILO, 1972; Ghai, Godfrey and Lisk, 1979), Nigeria in 1979 (Seers, 1981; Streeten, 1981), India (Rudra, 1978), Sri Lanka (Richards and Gooneratne, 1980; Isenman, 1980), Thailand (Poot, 1977), Bangladesh (Khan, 1977), Philippines (Hopkins, Rodgers and Wery, 1976; Szal, 1979), Guyana (Standing and Szal, 1979), Peru (Couriel, 1978), Mexico (Van Ginneken, 1979), and in Latin America (ILO/PREALC, 1978).

Although, the concept of minimum needs for the poorest emerged in early 1960's and was considered in the Indian development plan then for the first time, basic needs strategy as an integrated and comprehensive approach to development came into being only in 1976. Since then there has been enormous debate on the controversies relating to the efficacy of this approach. The theoretical developments regarding concepts and methodology of basic needs analysis have been overwhelming. Under the guidance of the World Bank and the ILO, a large number of studies have been conducted both at the macro and micro levels to postulate the basic issues covering a wide range of basic needs aspects.
There has also been effort to evaluate the performance of this approach in whatever country it is put to use. It has been suggested that this approach be followed keeping in view the growth objectives of the economy intact so that it can provide positive results in the long run. The trade-off between growth and basic needs may be minimized by the productive use of the developed manpower, made possible by the fulfilment of basic needs. So though at the beginning the approach was considered only as a short-term policy, it has been pursued continuously as a potential long-term development policy. Now it is accepted as a separate entity in development planning along with earlier strategies.

Notes

The Basic Needs Components as Defined by International Organizations and Experts

a) United Nations (1954)
   1. Health, including demographic conditions;
   2. Food and nutrition;
   3. Education, including literacy and skills;
   4. Conditions of work;
   5. The employment situation;
   6. Aggregate consumption and savings;
   7. Transportation;
   8. Clothing;
   9. Recreation and entertainment;
   10. Social security; and
   11. Human freedoms.
b) United Nations (1961)
   1. Health, including demographic conditions;
   2. Food consumption and nutrition;
   3. Education, including literacy and skills;
   4. Employment and conditions of work;
   5. Housing, including household facilities;
   6. Social security;
   7. Recreation and entertainment;
   8. Clothing; and

c) OECD (1976)
   1. Health;
   2. Individual development through learning;
   3. Employment and quality of working life;
   4. Time and leisure;
   5. Personal economic situation;
   6. Physical environment;
   7. Personal safety and administration of justice; and
   8. Social opportunity and participation.

d) UNRISD–McGranahan, D.V. et al. (1972)
   1. Health and demographic;
   2. Nutrition;
   3. Education;
   4. Housing;
   5. Communication; and
   6. Transport and services.

   1. Nutrition;
   2. Clothing;
   3. Shelter;
   4. Health;
   5. Education;
   6. Leisure;
   7. Social security;
   8. Social environment; and

f) Khan, Aziz (1977)
   1. Food;
   2. Clothing;
   3. Shelter;
   4. Health;
   5. Education;
   6. Drinking water; and
   7. Contraception.
g) Hopkins, M. and R. Van Der Hoeven (1986)
1. Food and nutrition including drinking water;
2. Shelter;
3. Clothing;
4. Health;
5. Education; and
6. Non-material needs: Participation in decision making, social justice and self reliance.

h) Streeten, Paul (1984)
1. Nutrition: Five Core Basic Needs
2. Education:
3. Health: Five Core Basic Needs
4. Shelter; and
5. Water and Sanitation: