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The Needs of Capital and the Needs of People: Can the Welfare State Reconcile the Two?¹

To what extent are the needs of capital and the needs of people antagonistic? Are either global or universal, or do they reflect national and cultural differences? Can national social policies in an era of globalisation serve either the interests of capital or the needs of people? Can the welfare state reconcile the two? These are the questions addressed in the essays brought together in this book.

The issues are certainly topical. Witness, on the one hand, the triumph of capitalism in 1989, the accelerating integration of investment and financial markets around the world, the Asian meltdown and financial turmoil, the dissolution of national borders and the globalisation of culture; all these are examples of the growing power of capital, where power entails the ability to define, and to impose, one’s own definitions of one’s needs. Witness, on the other hand, growing inequality in the distribution of the world’s resources, climbing death rates and social dissolution in Russia, the near-holocaust of AIDS in southern Africa, the commodification of more and more aspects of life, including education, the growing insecurity of life for many in the richest countries, and the mounting threats to the global ecology. These are all real threats to human needs and global welfare.

Surely, the answer to my last question is ‘no’. The needs of capital and the needs of people are irreconcilably opposed and there is little or nothing the welfare state can do about it in today’s world. This pessimistic view is encountered every day in the media and academic tracts. Gray (1999: 214), for example, writes: ‘The conflict between social democracy and global free markets seems irreconcilable.’ I want to take a more nuanced and hopeful position. Let me try to answer the
question in three parts: What are the needs of people? What are the needs of capital? Can the welfare state reconcile the two?

**The needs of people**

You might think it easy to define the needs of people. Are they not present – unfulfilled – in the faces of the hungry in Ethiopia, the orphaned in Honduras – or the abandoned in old people’s homes in Britain? Yet the ability of academics to squabble over such apparently straightforward ideas is legendary, and not always to be despised. The idea of need is no exception. So let me begin by summarising some of the arguments Len Doyal and I put forward in our book *A Theory of Human Need* (Doyal and Gough, 1991).

**A theory of human need**

The word ‘need’ is often contrasted with wants. We use the distinction in everyday language: ‘I want a cigarette but I need to stop smoking’ – a regular mantra of mine until I finally gave up. The distinction, it is generally agreed, rests on the nature of the goals referred to. Need refers (implicitly if not explicitly) to a particular category of goals which are believed to be universalisable; whereas wants are goals which derive from an individual’s particular preferences and cultural environment. The universality of need rests upon the belief that if needs are not satisfied, then serious harm of some objective kind will result.

Can we then agree on a notion of harm? We define serious harm as fundamental disablement in the pursuit of one’s vision of the good. It is not the same as subjective feelings like anxiety or unhappiness. Another way of describing such harm is as an impediment to successful social participation. We argue that we build a self-conception of our own capabilities through interacting with and learning from others. This is an essential feature of our human nature. As Len Doyal put it in an earlier book:

> It is fundamentally mistaken to view yourself as acting with total self-sufficiency – by yourself and for yourself – without reference to anyone else. Social life is an essential characteristic of individual humans, unlike the situation of an individual tree which just happens to be in a forest. Grown from a seed in isolation, a tree is still a tree; but humanity is the gift of society to the individual.

(Doyal and Harris, 1986, p. 80)