

# Meeting Basic Needs<sup>1</sup>

## *This Month in the Economy Exercise*

### Instructor's Guide

## This Month in the Economy Exercises

These teaching packs are designed for 30-minute (online or offline) sessions that can be included within any lecture or tutorial class. They are designed to be suitable for university students, but could easily be adapted for higher or lower levels. Every month, we will publish at least one exercise that you can use to engage your students with current events. The main aims of these exercises are to give students practice in relating economic ideas to the real world and their own lived experiences.

Newspaper articles or videos are used as the entry point to an economic topic, which is then expanded upon by the instructor before the students are broken into small groups to engage in an activity. This will help students to develop the skills required to work as economists in the real world, and all the materials you need are provided for you. These teaching packs are published as creative commons (CC BY) and can be freely used and adopted.

## Meeting Basic Needs

Throughout 2022 it has become increasingly difficult for people around the world to meet their basic needs – even those who live in relative affluence in the Global North. This 30-minute classroom exercise takes this common recent experience as a starting point for an exploration of the different economic mechanisms and organisations that can be used to provide for people's basic needs.

The central aim of this session is to give students the understanding that there are many resource coordination and allocation mechanisms operating in the economy. This requires the presentation of different mechanisms, but it is not important for students to be able to perfectly reproduce the details of each.

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<sup>1</sup> We would like to thank Chanda Katema and Frank van der Salm for their advice and feedback. The remaining mistakes and inconsistencies are, of course, our own.

## Lesson Plan

| Learning Objectives   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Understanding what basic needs are.</li> <li>• Understanding that goods and services can be provided by a range of economic mechanisms.</li> </ul>   |   |  |
| Transferable Skills Developed   |   |  |
| <ul style="list-style-type: none"> <li>• Presenting opinions in an articulate manner.</li> <li>• Engaging with the opinions of others in a respectful fashion.</li> <li>• Linking theoretical concepts with concrete economic realities.</li> </ul> |   |  |
| Prior to session  |   |  |
| <p>Students should read the selected article about basic needs, poverty and/or inflation.</p> <p>The instructor should prepare the PowerPoint slides and if online the breakout rooms for the group exercise.</p>                                   |   |  |
| Plan of Activities  |   |  |
| Duration  | Teacher Activity  | Student Activity   |
| <b>10 min</b>   | Explain what basic needs are and how they can be provisioned for using slides 1-6.  | Take notes.<br>Ask clarifying questions if possible.   |
| <b>15 min</b>   | Explain the exercise including timings using slides 7 and 8.<br>Split the students into small groups.<br>Provide the students with the matrix of basic needs and provisioning mechanisms ( <a href="#">linked here</a> ). | Get into small groups.<br>Choose a basic need.<br>Fill in the matrix provided together, listen respectfully to others and make a note of a key takeaway. |
| <b>5 min</b>  | Ask a few groups to report back one takeaway to the rest of the class.  | Listen to the takeaways of other groups.<br>Share their own takeaway.  |
| <b>Total: 30 min</b>  |   |  |

## Student preparation work

These articles describe the ongoing crisis surrounding basic needs, poverty and/or inflation. Students should read one of the articles listed below before the class, which one you assign to them is up to you. You might want to choose the one that is closest to your own local or national context, or you might want your students to learn about a part of the world that doesn't normally come up in their studies (and is written in a language the students can read). The articles:

- [Bangladesh](#) (in English)
- [Canada](#) (in English)
- [Congo](#) (in English)
- [France](#) (in French)
- [Germany](#) (in German)
- [The Netherlands](#) (in Dutch)
- [The Philippines](#) (in Tagalog)
- [Turkey](#) (in English)
- [Uganda](#) (video lecture in English)
- [United Kingdom](#) (in English)
- [United States](#) (in English)
- [Zambia](#) (in English)

## Presentation by the instructor

We recommend spending five to ten minutes on explaining (i) what basic needs are and (ii) the different ways in which they can be provided for. The key points to get across are:

Firstly, basic needs are the minimum resources necessary for long-term wellbeing (slide 3). That's a very simple sentence, but it still leaves a lot of questions and a lot of room for interpretation. What counts as a "resource"? What types of "wellbeing" are included? Is the "minimum" level that's acceptable merely what we need to survive? The most appropriate choice of definition depends on the values that you hold, the issue that you're trying to understand, and whether you're looking to improve the situation or merely to observe it. For almost any list of basic needs that you can come up with, more people

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around the world are struggling to meet them now than they were a year ago – including millions of people in high-income countries.

Secondly, there are many different coordination and allocation mechanisms that operate within our economies (slide 4). Four of the most common are householding, community provisioning, the market and state provisioning (slide 5). Householding means that the household provides for their own basic needs. Historically, householding has been a very gendered activity, with different genders being considered responsible for meeting the different basic needs of the family. Community provisioning means that households work together to meet the needs of the whole community. In a small community this may look very similar to householding, but larger communities will be able to create structures and processes that would be impossible or inefficient for individual households. Provisioning through the market means that the resources required to meet basic needs are traded between households and companies in exchange for other resources or for money. Under state provisioning, the government raises revenue through the taxation of people, businesses and assets, by charging fees for particular services, through the creation of new money and by operating state-owned enterprises. They then use this revenue to provide the resources necessary to meet their people's basic needs.

Lastly, we generally meet our basic needs through a mixture of these four mechanisms, it's rarely a case of needing to choose one and only one of these mechanisms. Other points that you might find useful are:

The International Labour Organization first used the concept of basic needs in 1976 to frame their efforts to reduce poverty in low-income countries. Their original list of five needs were: (i) Food, (ii) Clothing, (iii) Housing, (iv) Education, and (v) Public Transport (slide 3).

Taking food as an example (slide 6), householding would mean growing the food that the family needs on their own land using their own labour, and then preparing and cooking it themselves. Food banks are an example of community provisioning; households with spare food share it with households that don't have enough. Restaurants, groceries, and supermarkets are responsible for providing the majority of food in high- and middle-income countries and they do so through the market. The state could provide households with food stamps (vouchers that can be exchanged for food in

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a shop), or directly provide them with food (for example through state-run food banks or by physically delivering staples such as rice).

Householding requires time, skills and knowledge. Community provisioning relies on strong social ties. The market will only provide the resources required to meet basic needs to those who can afford to pay. Running a bureaucracy large enough to meet basic needs for the whole population can be very costly.

Sometimes food businesses are cooperatively owned by the customers or the workers, in which case the boundary between market provisioning and community provisioning is slightly blurred. Although the food is sold in a market in exchange for money rather than given away, cooperatively owned stores will return any profits to their members in the community to help them meet their other basic needs. However, it is far more common for food to be sold to us by large for-profit multinational corporations – particularly the branded products we see in stores, but often also the stores themselves such as Metro, Carrefour, Supermaxi, and Walmart (slide 6).

## Student exercise

Students should be broken up into groups of 2 or 3. In large in-person classes the easiest thing to do may be to ask them to pair up with the person next to them rather than assigning each group yourself. If the class is online then breakout rooms of 3 are recommended.

Each group should first choose a basic need to discuss from this list: heating, housing, childcare, healthcare, and transport. They should then fill out the table below with their thoughts on each provisioning mechanism. The process of forming their own views and discussing them is more important than completing the entire table, but it should be achievable within the time. They are also not expected to reproduce any specific knowledge or theories.

| <b>Ways to provide for the basic need</b> | What are the constraints to implementing it in practice? | Which social groups are more likely to benefit? |
|---|--|---|
| <b>Householding</b>                       |  |   |
| <b>Community</b>                          |  |   |
| <b>Market</b>                             |  |   |
| <b>State</b>                              |  |   |

This table is also provided in the slides and in a separate handout (both in this teaching pack) for ease of use. You may want to announce to your students two minutes into the exercise that they should have chosen their basic need by now and be starting to discuss it using the table.

After the time is up, you may wish to invite a small number of groups to share a takeaway from their discussion with the rest of the class.