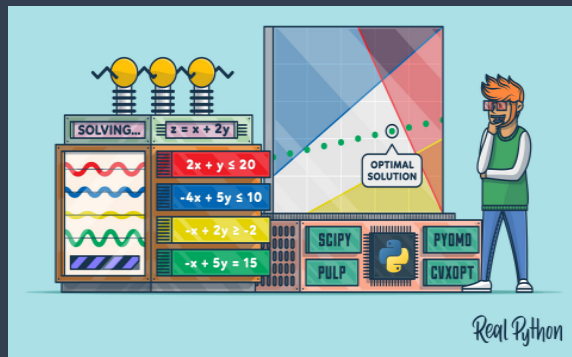


Between calculation and deliberation: Rethinking the category of 'needs' in planning



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Institutional design for needs satisfaction
within boundaries

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Structure of the presentation

Part 1

- Conceptual history of 'need'
- General assumptions about 'needs' in the planning literature
- Contemporary proposals for planning

Part 2

- A theory of needs and economizing (Menger)
- The politics of knowledge around need recognition (Polanyi & Fraser)
- Conceptual alternatives: life situations (Neurath)

1. Conceptual history: From *necessitas domestica* to the modern concept of need

Indigentia

Necessitas



Notdurft / *Necessitas domestica*

Bedürfnis (Need)

Necessitas domestica:

- Defined basic rights of subsistence of a household
- Regulated the use of common resources
- Set limits for maximum uses of goods or labour services of serfs

Utilitas

- Subsistence of individuals
- Individual needs as part of the *necessitas* of the state
- Needs generate production and growth, work and progress

2. 'Needs' in the planning literature

- Needs as *utilitas*, mediating an individuals' relation to goods
- Consumption as a consequence of needs – needs are given before, and independent of, the encounter with goods
- Needs can be identified through records of past purchases
- Needs foremost framed quantitatively – as quantum of some sort
- Socialist planning literature: planning as conscious adaptation of economic activities toward *social needs* and use-values
- Concern with equilibrium

3. Contemporary proposals for planning

- Algorithmic calculation

- In single units or in multiple kinds
- With or without political deliberation

- Computerized central planning
- Libertarian cyber-socialist models
- Half-Earth Socialism
- Integrated life-cycle assessment

- Deliberative processes

- Reform-socialist
 - Liberal
 - Radical-democratic
-
- Negotiated Coordination
 - Parecon-Model (+ computerized calculation)
 - Radical-democratic approaches

Algorithmic models

Concepts

- Emphasis on consumer demand and interests, final consumption, consumption in the aggregate
- Private individual needs / humanity's basic or minimum needs / societal needs

Methods

- Input-output tables
- Linear equations
- Simulation and agent-based modelling
- Optimization through linear programming
- Eco-balancing and life-cycle analysis
- Machine learning for pattern detection and prediction

Data

- Data on effective demand (retail data)
- Automatic feedback loops: real-time inventory management
- Online consumer feedback and rating
- Data from life-cycle assessment
- Advance need registration

Brief discussion

Algorithmic models and 'calculation in kind'

- Half-Earth Socialism (Vettese & Pendergrass)
- Holistic and integrated life-cycle assessment (Heyer & Zeug)



Deliberative processes

- Reform socialist: economic planning should be shaped to 'the needs of the people'
- Liberal models: deliberation only over public issues, separation from private consumption
- Radical democratic models:
 - Emphasis on the socialization of (private) needs and politicization of social reproduction to reconfigure the relation between private and public
 - Notion of the social mediation and construction of needs
 - Collective learning as a transformative process: redefinition of needs

Brief discussion

Participatory models

- Negotiated coordination (Devine)
- Parecon (Albert & Hahnel)



4. Economizing, social needs: Carl Menger (1923)

- *Economizing*: the efficient use of goods in consumption to satisfy needs (individual and social) as completely as possible
- The human economy as a form of precautionary householding of stocks for need satisfaction
- Needs:
 - Individual needs | Collective needs | Organizational needs
 - The total quantity of the required consumption goods of a population in a definite period to satisfy individual and social needs = *sozialer Bedarf*:
 - 'The *Bedarf* of a population (conceptually distinct from the *Bedarf* of the state or the social organism as such) comprises the totality of goods which are required for the complete, quantitative and qualitative satisfaction of (individual and social) needs of all constituents of society' (Menger 1923: 48, translation by author).
- Needs vs. goods

5. Politics of 'need recognition' – Karl Polanyi & Nancy Fraser

'As regards needs, for example, these are simply assumed to be known without difficulty. To be on the safe side, and to give to some extent a substitute for the neglected needs, actual consumption in a past period (for instance, the prior year) is offhandedly put in place of current needs. Needs and consumption are however two totally different things – as everybody whose actual consumption does not satisfy his needs knows perfectly well. Previous actual consumption would more closely correspond to present needs if, among other things, it had coincided with previous needs, and if needs had remained unchanged. To establish this, however, requires that needs be known first' (Polanyi 2018 [1925]: 43-44).

6. Conceptual alternatives: conditions of life – Otto Neurath

- 'Man does not live by bread alone' (1942: 284)
- Consumption or need satisfaction are too narrow categories since they fail to address other dimensions of well-being (e.g. 'Planning for freedom' 1942)
- Quality of life – conditions of life – order of life
- Systematic comparison and evaluation how different plans or policies influence the conditions of life and their distribution
- Inventories of life conditions and 'silhouette method' as tools

Implications for rethinking 'needs'

- Limitations of equating needs with recorded consumer behavior and the limitations of data created for the purpose of profit extraction (Menger, Polanyi).
- An economy oriented to human and social needs is not a subsistence economy defined by minimum or basic needs (Menger).
- Planning should go beyond a cost-based assessment of products. It should compare and evaluate how certain plans, policies and goods correlate with life conditions and their distribution (Neurath).
- Needs must be contextualized within broader life situations, integrating intangible aspects like recognition and liberties (Neurath, Polanyi).
- Limitations of both, calculative commensuration as well as of political deliberation.

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