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Key element for a strong civil society

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The big issue is psychological capital. Economists do not value it adequately, and it is one of the keys to prosperity or poverty.

Once a year, the Cato Institute, the big libertarian think-tank in the United States, and the Universidad Francisco Marroquín -- perhaps the most prestigious private institution in Central America -- hold a gathering in the beautiful city of Antigua, Guatemala, of several dozen students from all over Latin America to explain to them the relationship that exists between freedom and development. Here is a synthesis of what they told the students:

It was already accepted, but it seems clear that the economic performance of nations results from how they weave together and reconcile human capital (education), civic capital (the social behavior of the largest part of the group) and material capital (natural resources, investments, machinery). But in this equation, psychological capital is missing. What is that? In essence, it consists of the attitude with which individuals confront seven fundamental factors: Those attitudes, of course, are based in perceptions, beliefs and prior learning. They are:

- Attitude toward freedom. Where you find many individuals ready to make decisions, to base their own lives on them and to pursue happiness, without a state-provided crutch, personal and collective well-being take root. Where the search for security prevails and the blueprint of one's life is determined by outside entities, the result is mediocrity. Some of this was envisioned by Erick Fromm when he wrote, *The Fear of Freedom*.
- Attitude toward the state. In those places, for whatever reason, the state is perceived as an unjust, coercive force that does not take the people's values or interests into account, only of those who administer it, the behavior of individuals harms the collective. Where the state meets the expectations of society, the opposite results.
- Attitude toward one's own work and that of others. Where one has an appreciation for one's labors, as long as they are honorable, and they pose no barrier to social advancement and are even a source of pride, the collective group benefits and efforts tend toward excellence.
- Attitude toward success. Where winners are admired and their achievements praised, when they are legitimate, a struggle to distinguish oneself and to be appreciated by the society takes hold. Where the opposite is true, individual success is rejected and criticized and a strong, positive psychological incentive disappears.
- Attitude toward science and innovation. Where scientific curiosity is encouraged, and where there is a willingness to innovate and invent, the economic results are dramatic. It is surprising, for example, that during the 20th century, not one discovery, invention or technical development that changed the face of humanity came out of Latin America.

- Attitude toward the entrepreneurial spirit. Where creative personalities are cultivated and applauded, and where society opens rather than closes doors for them, nations prosper.
- Attitude toward others. Where there is, *a priori*, a trust in others because agreements are respected, transactions proliferate and the costs associated with them diminish. However, where there is a lack of trust given a presumption of bad faith, the societies are poorer, because they reduce substantially the number of exchanges between people, which is the only source or the creation of wealth.

Can a society's psychological capital increase? Of course. Or it can be diminished. It depends on the education and experience of the individuals. In totalitarian countries, or those heading in that direction, everything that people learn contributes to the reduction of psychological capital.

On the other hand, in countries where freedom is appreciated and where they accept responsibility, psychological capital feeds on itself and grows. Maybe that is what we are seeing in societies like Chile. We can never prove it mathematically, but we know that the psychological capital of this people is very high. It would be worthwhile to study this variable.

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