

WEALTH

The beginning of the path

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INTRODUCTION

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Introduction

The purpose of this paper is to attempt to propose a system of economic growth and development. Three economic stages of societies are proposed: prematerial, material, and postmaterial. Although in this paper we focus on premateriality, as more than three-quarters of the planet is in this economic situation, we believe it is essential to establish the need for a guiding principle. We consider economic growth and development a means and do not believe that materiality is their ultimate goal. Social problems (such as drug addiction, alcoholism, insomnia, depression, etc.) are becoming evident, clearly demonstrating that the material goal does not solve all problems. Based on this, we outline a stage we call postmaterial.

The focus of this growth and development is on people. Obviously, if they are in a pre-material stage, it is essential to satisfy those material desires and needs, which are generally physical in nature. Once this situation is reached (interface point), a multidimensional space opens up, whose ordinate is people's income and whose Z axis is intangible desires, which give a spatial configuration to this approach. Examples of intangible desires are love, happiness, joy, sensations, perceptions, emotions, gregariousness, among others.

The postmaterial stage is a balance between material desires and immaterial desires. There are infinite combinations, as many as there are human beings, but what can be asserted is that if a society begins to address the immaterial desires of its members in a systemic way (kindergarten, primary, secondary, university), the demand for resources will have to decrease, given that people will spend much of their time shaping this immateriality to perceive, accept, and feel themselves (and the world) in a way that allows them to make this accumulation of perceptions result in the satisfaction of those desires.

Well, the lack of growth leads to the loss of hope, and is associated with the resignation of being able to satisfy desires related to basic needs: health, housing, education, food, etc., and this leads to resignation, and such resignation leads to anxiety and/or violence. The case of economic decline, which produces an indescribable social shock of different characteristics, is excluded.

Any actor and spectator of the economic cycles of my country, Argentina, can affirm that in many circumstances they have felt powerless and desperate as a result of having experienced countless inequalities. And this generated in me the need to work on this topic to try to explain why in a

A country with immense potential for development and growth has not been able to ensure that the upper limit of people's income is linked to their work capacity and talent, and that the lower income can guarantee housing, education, work and other basic needs.

On this topic, countless explanations have been heard (and often suffered). The reality is that a large number of exceptions arise to all the hypotheses proposed. Many believe that legal security is the basis for growth, but contemporary China and Stalinist Russia are clear examples that legal security is not necessarily the basis for growth. Others believe that democracy is the basis for growth, but there are numerous cases in history of societies without democracy yet experiencing growth. Some argue that the problem is cultural, although they offer no solution to cultural change or any demonstration of what part of culture affects economic growth. Finally, one group postulates that the key lies in religion (Weber was a pioneer in this). As a counterpoint to this thesis, we currently have Catholic countries that are as fruitful as Protestant ones.

So the big question is what makes some societies prosperous and others not so prosperous—in other words, why do some countries grow by generating situations of well-being for their populations while others fail to do so?

Our response to this problem is systemic. This means that several factors must be present for the problem to be solved. The absence of any of them precludes the possibility of the desired outcome.

And to make the system easier to understand, we're going to propose a summary geared toward the various social actors, where we'll try to show the system in operation.

Since we have developed a language whose terms are defined in the text and, when read in isolation, can lose their significance and place in the system, each term we use in our summary will include the page where it is explained or expanded upon. In this way, we hope to make this work more enjoyable and engaging to read.

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Abstract

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Postulates

Postulate 1: Economic growth and development depend on how resources are managed. Management involves the administration and allocation of resources. Furthermore, efficient administration and management alone do not guarantee economic growth and development. A common characteristic of all well-managed societies is the fact that none violate their social mandate.

The above applies to social actors (companies, other organizations, individuals, government), regardless of the economic stage in which that society finds itself: whether pre-material, material, or post-material.

Postulate 2: Prosperous societies have a social mandate, which enables them to manage coherently and interpret and apply laws and regulations in a manner consistent with that mandate.

Postulate 3: Premateriality is associated with the lack of a social mandate or the existence of one that is not viable for that state.

Postulate 4:(global wealth): For societies that have not found their social mandate, global wealth is proposed as the axis of their content, this being the wealth of people plus the wealth of companies plus the wealth of the state, understanding "wealth" for these purposes.

Postulate 5:(inclusive postulate): A just society must have the capacity to accommodate all its social actors, regardless of their economic and cultural status. This means that even the most ignorant and least educated individual must have an activity that allows them to access a decent quality of life.

Postulate 6:(biodiversity): This means that in a prosperous society all activities, knowledge, technologies, cultures and religions must be able to coexist.

Postulate 7:((freedom): This postulate is based on the possibility of exercising the right of each individual or actor to the extent that it begins to affect the rights of others. This extends to all social actors, whether natural or legal persons.

Postulate 8:(pedagogy): It is proposed that training, instruction and dissemination are the basis for starting a change.

Postulate 9:(People speak how they think and think how they speak. The dimension given to words is not a minor issue here.

Postulate 10:(resources): In pre-material societies, most difficulties, problems, and limitations are related to physical resources. Therefore, caring for and increasing them is one of our priorities.

Postulate 11: (critical mass): This postulate maintains that it is impossible to manage (administer and assign) resources without having a minimum of people aligned with our mandate.

Postulate 12:(Conspiracy postulate): This work is based on the hypothesis that individuals, companies, and states exercise their right to petition, and that, in return, interlocutors can exercise their right to deny. Therefore, we can consider that when the outside world presents its position to us, it is the one that best suits them and not necessarily the one that best suits us. Therefore, it is understood that those who petition are neither bad nor good; they behave according to the aforementioned. It is not that they are specifically conspiring against us.

Aim

This paper aims to explain why some societies are prosperous and others are not. To do so, it proposes a possible interpretation that seeks to respect the previously stated postulates.

We have seen, studied, and suffered countless economic theories that, when put into practice in my country, Argentina, resulted in poverty, desolation, unemployment, hopelessness, and violence. This reality is inexplicable for a country with abundant natural resources, a significant degree of religious homogeneity, a high cultural level, and linguistic homogeneity, among other parameters. The existence of these attributes and other equally favorable ones not mentioned, plus the lack of results along with the lack of explanation for each failure, generated an obsessive need to find a possible solution. Many justify these results as a product of corruption, others as a consequence of the type of immigration, others as a result of legal uncertainty, and still others attribute it to the lack of institutions. But the reality is that all these explanations do not help propose a solution and are also accompanied by an equal number of exceptions that prove otherwise.

All of this generated a need to propose a possible solution with its corresponding explanations and having to be consistent with the postulates.

Definitions of prematerial, material and postmaterial

All of this work is focused on a molecular aspect of society: people. With the clear objective of improving their quality of life in the shortest possible time. Let's define premateriality. Prematerial is when a person has unmet functional needs. This means not consuming enough calories, not enjoying good health, lacking heating, or experiencing housing shortages that inevitably translate into psychological or health problems. Examples: overcrowding, poor drinking water, lack of sewage disposal, etc. Once this stage is over, we move on to the material stage. The material stage is when the person tries to satisfy their sensory needs. Examples: quality of food, texture of clothing, surface area of housing, location of housing, personal aesthetics, etc. And then the postmaterial stage, which is related to material and immaterial desires (happiness, joy, communication, the activities one does, belonging). Since it's impossible for us to define the combination of elements that guarantee the postmaterial stage—there are as many combinations as there are human beings—we have taken the position of correlating the postmaterial stage with a person's immunological parameters and their longevity with their resulting quality of life. Unfortunately, we have to talk about these two objective variables because I believe that access to postmateriality is relatively new in historical terms in the world we live in. Therefore, we believe that a good quality of life must be reflected in our antigen levels and our longevity.

Classification of the economic stage

We define three economic stages

Prematerial

Material

Postmaterial

Solution

Faced with the topic posed, questions arose: What is necessary for the possibility of growth and development to exist? Why are growth and development necessary? When do growth and development occur? How are growth and development cared for? Assuming that by answering these questions, within the limitations imposed by the postulates, the topic would to be resolved.

When there is growth and development

Growth and development occur when social actors allocate and manage resources based on a social mandate.

The above definition assumes that growth is a function of management and not economic policy, as we believe that no economic policy promotes poverty or unemployment. However, it can generate it if it violates the social mandate.

The above is true, but let's suppose we don't have a social mandate. Then our definition would be reformulated as follows: growth and development occur when social actors allocate and manage resources. In such a definition, each social actor will try to do what is best for them; this is not necessarily what is good for the whole, and this behavior allows for the development of economic diseases such as cannibalism, intellectual dishonesty, and corruption. It is true that the current academic framework has generated significant development of management-oriented knowledge (internal rate, discounted cash flow, etc.) that is valid in terms of these actors but does not take the whole into account.

What is necessary for growth and development?

As we have previously stated, for growth and development to exist, resources must be managed and allocated in such a way that the struggle between social actors for them ultimately results in greater prosperity. Here we encounter the problem of how resources were allocated and what criteria were used to manage them. These can be done to minimize expenses, they can be done to maximize cash flow, they can be done to minimize debt, etc. And I can allocate resources to solve housing, health, education, profitability, efficiency, etc. problems. To give meaning to the two acts (managing and allocating), it is essential that they be subordinated to a social mandate. Otherwise, the form may be fulfilled but not the content.

This means that if we don't have a social mandate, for example in the capitalist system the pursuit of profitability in one sector may be based on the loss of another; a good social mandate would have to favor those who manage to increase their profitability by encouraging others to increase theirs. Obviously, this path is more laborious, but it is the one that explains why some societies prosper and others don't. The existence of the mandate is allowing us to give spirit to the universe of laws and regulations in which those who manage and administer must navigate. But I have

In my country, I've seen foreign-trained officials fail in their administration when they come to power. Here, trying to explain this disillusionment, we borrow a concept from the physics of the atomic bomb: critical mass (the minimum amount of uranium that allows a chain reaction). Applied to management, this concept tells us that it's essential to have a minimum number of people aligned with our mandate to guarantee its objectives (growth and development).

Good management must increase the supply of resources and the transformation capacity of managed resources, and this must be reflected in qualitative or quantitative increases in these resources and their transformations.

The mandate is a desire shared by all social actors, and therefore, when attacked, social actors recognize this aggression and interpret and apply the laws and regulations provided to defend it, in order to achieve the goal of increasing transformation capacity and the supply of resources. In societies where the above occurs, there is an intangible element that we call the social mandate. If this attack is not within a legal framework, it clearly allows for social judgment to arise regarding these actions.

For example, a mandate might order us to protect a country's way of life (the American way of life, the French way of life), not to threaten its survival (Japan), or to protect its survival (Israel). In the absence of a clear social mandate, we propose global wealth, as this mandate limits the freedoms of social actors and is easy to understand and communicate.

The lack of a mandate inevitably makes us vulnerable, as there is no framework that allows us to recognize the diseases of growth (cannibalism, intellectual dishonesty, and corruption) and act accordingly.

* * *

Why there is growth and development

The explanation we give for this is based on the goal of satisfying human needs, which, depending on the economic stage of society (pre-material, material, post-material), have a high level of physical resources to satisfy their desires. Here the problem arises: How do we access these resources? With a monetary system, we inevitably have to pay with currency for the right to possess them. And the way to obtain this currency is through labor in the transformation of available resources, or credit. Here the first condition arises for the possibility of greater access to resources, whether for consumption or capitalization: it is necessary either to have credit or the ability to transform their availability with our labor and talent. And this increase in wealth resulting from this transformation and the combined labor of all members of society is growth and development. Unfortunately, in our country we have had the opportunity to access credit, which generated an illusion of growth and development but was not offset by the ability to transform resources, either qualitatively or quantitatively. It's curious how this possibility of consumption without compensation in terms of work and talent was considered by many Argentines to be a divine right, guaranteeing us access to hell.

The existence of a social mandate, on the other hand, minimizes the possibility of establishing a fiction in society, and if global wealth is adopted as a mandate, it facilitates growth and development.

How do you take care of growth and development?

First, there is no growth or development when society is sick. We define intellectual dishonesty, cannibalism, and corruption as social diseases. As in medical practice, it is important to take indicators and conduct analyses to define a diagnosis and corresponding treatment. Our main indicator is the social mandate, and in the case of pre-material societies that do not have one, we propose global wealth as an indicator. This can be accompanied by a range of indices such as unemployment, consumption, trust, the definition of the interface point, etc. When these indicators reveal problems, we must identify the disease causing them and act accordingly.

The postulates, the questions and the conclusions

We begin this summary by discussing the postulates. It is important that the reader have a clear understanding of how the external world is perceived, interpreted, and visualized, forcing them to be cautious in the proposed solution to these postulates. If not, they would be suffering from intellectual dishonesty. In many cases, in the logical framework that attempts to explain this system, the author found that there were intangible assets in prosperous societies that were not explained, analyzed, or interpreted by the academic system. This led to giving this intangible asset a name (social mandate). The fact that it has a first and last name, assuming the interlocutor recognizes the existence of this asset, will allow us to discuss it and reflect on its characteristics.

From this, we clearly understand why the existence of this ingredient, with all its characteristics, benefits, and shortcomings, helped other societies improve their citizens' quality of life, while its absence hampered others.

The discussion and confrontation of ideas are essential for the development of knowledge; attacking and defending these ideas allows for a better understanding of the available range of proposals and the possibility of associating or discovering new solutions. This is obviously the case when the objective of the parties is not to discredit the other but rather to construct a solution to a problem (fundamentalist positions seriously undermine the possibility of achieving this objective). Seeking to remain consistent with the above, global wealth is proposed as a social mandate.

If we accept that prosperous societies have an intangible asset, their social mandate, which articulates well with growth and development, it can be assumed that less prosperous or pre-material societies find themselves at this stage due to a lack of it, or the impossibility of finding the mandate they propose to be consistent with growth and development. There is no single explanation for the origin of these mandates, as some arise from the need for survival (Israel) or from the defense of a way of life (France and the United States), among others. And while remaining consistent with our postulates, it is clear that the definition of global wealth as the content of our mandate does not violate any of the initially proposed postulates.

As suggested, growth and development are a function of management. For this to have a positive outcome, it is proposed that administration and management be subordinated to the social mandate and that they have a critical mass of people aligned with it. These two ingredients strongly influence the work of administration and the allocation of resources, increasing the possibility of positively affecting growth and development.

llo. Given a mandate, a critical mass of people, and initial availability of resources, it's essential to take care of the aforementioned factors. And what do we need to protect them from? Diseases. The existence of these causes a loss of resources, a waste of opportunities, and inequity in their allocation.

That's why it's essential to detect and combat them. We believe that the existence of a mandate is one of the parameters that allows us to detect the existence of a social disease and also allows us to interpret laws and regulations in such a way as to punish those who violate it.

Language

All of this work is subordinated to the assumption that people speak how they think and think how they speak. Therefore, this requires generating and clearly explaining the concepts associated with each of the words we use.

An example that will facilitate understanding. It is globally accepted that there are developed countries and developing countries. This term must have been chosen because it is more elegant than defining it as a poor country and covers all the shades of gray, from extreme poverty in Africa to countries like Brazil or Argentina with medium development. But this term also has an associated hope, which is that if you are developing, you will one day develop. In other words, this expression gives the impression that time is the variable that will allow development. And what we are saying here is that developed countries, equivalent to the term "material" in our classification, are developed because they have accumulated a quantity of tangible and intangible resources in their people, companies, and the state that developing countries lack. If a developed country and a developing (pre-material) country were to sit down at a discussion table, the developing country would have to be clear that its possibilities in its current economic stage depend on resources. And that any negotiation with another country should be geared toward increasing those resources. Therefore, it seems much more sincere and coherent to me that instead of calling them developing countries, we call them "pre-material countries." And as such, in any dialogue with the environment, the focus should be on increasing the availability of resources. When we talk about pre-materiality, the term also applies to people and companies. That's why it's very important that the language clearly illustrates the problems facing that society: pre-material, material, and post-material. Each of these stages has its attributes, and it's very important to be clear about which stage you are in to achieve results that are functional to your objectives.

Interface point, social mandate

The objective of growth and development is to enable the satisfaction of needs. This paper proposes a methodology and suggests that there are three economic stages: pre-material, material, and post-material. There is an interface point where we move from a two-dimensional system (material desires, income) to a three-dimensional system, the third dimension of which is immaterial desires. The interface point is the place where non-material needs associated with a given income begin to appear. Engineer Max Fernández proposes that there are social groups that share an interface point and that propose a social mandate that is not functional to the country. For example: our middle and upper classes, with incomes exceeding five thousand pesos per month, generally believe in free trade, the absence of government in public services, the free will of supply and demand, a strong and solid legal and institutional framework, the allocation of resources based on profitability, etc. The reality is that when these groups had the opportunity to manage their social mandate, it wasn't viable in a pre-material country like ours, because the entire liberal or neoliberal economic framework turns out to be consistent with material societies but inconsistent in pre-material societies. Here, the need arises to propose a social mandate consistent with growth and development. For example: if we say that our objective is to combat infant mortality with all due respect, this would be a mandate that would be very difficult for any sector of society to disagree with. If we say that we are going to defend the overall wealth of our country, it is also a mandate that would be very difficult for any sector of society to reject or express its desire for poverty for another sector or group.

In some parts of this work, premateriality is presented as a consequence of the lack of a social mandate; or in the case where the social mandate is not articulated with the growth of that state, at whatever stage it is. This inclusive value is the challenge in this proposal.

Government system

The system we propose aims at the country's economic growth and development. And while it is in a pre-material stage, its main objective is to manage the largest amount of tangible and intangible resources to increase its capacity for transformation and satisfy the desires of people, entrepreneurs, and itself. To accomplish this goal, we either have the good fortune to have a territory that contains all the resources, or we must obtain them from the rest of the world.

Very few countries are fortunate enough to be self-sufficient in all areas. And if one doesn't find themselves in this situation, they have to go out and get them on the market. This fight for resources is a constraint that must be overcome; it's a tool that allows us to put the true objectives of all participants in black and white. And in this way, we can take the most relevant courses of action for our objectives.

In this system, a distinction must be made between career civil servants and political officials.

We must understand that politicians' primary interest is to seize power and then remain there. Both situations, in a democratic system, require the vote of the people. The entire system proposed here begins the moment power is seized. It establishes a restriction on free will in the allocation of resources administered by the government. The government must work to meet the needs of social actors without losing sight of the fact that a large percentage of votes depend on this work, and on the social perception of its results. Obviously, the simplest path to guaranteeing these votes is determined by populism, handouts, and cronyism. But all these realities can be aligned or misaligned with growth and economic development. The system proposed here, by highlighting the social mandate, its content, and critical mass, requires dialogue and reflection to find a path that meets the needs of politics, society, and growth.

It is important to understand that managing a prematerial society is not the same as managing a material society, a postmaterial society, or a postmaterial society. The strategy for managing and allocating resources is different for each of these economic periods. One problem that has been detected in the sources that produce content is that it responds to the needs of material societies. And when attempts are made to apply it literally in our environment, irreparable damage can occur. We call this problem transculturation. When a social mandate is established, this content must be adapted so that it does not violate that mandate. That is why many terms in this work are reconceptualized to generate a language that, while not diametrically different from the usual pedagogical terms, allows us to position ourselves in the situation where we consider society to be (prematerial, material, postmaterial).

I want to point out that material societies (the United States, Europe) are based on materiality. This is because their focus lies in materiality. And evidently, human beings need to resolve their need to survive, and the way to achieve this when they find themselves in a material stage is the key to reaching post-materiality. It is understood, then, that in materiality, most people over-adapt to conquer that wonderful world based on

The sensuality of objects. And evidently, the postmaterial problem becomes clear when, despite having achieved these material standards, unhappiness, anxiety, psychosomatic illnesses, drug abuse, or suicide emerge. Resolving the postmaterial problem should be the guiding principle for prematerial societies, since the consumption standards established in prosperous societies do not resolve the aforementioned social problems and do not consider the balance between material and immaterial desires among social actors. They will have to assign and choose the paths that lead them most quickly to postmateriality. It is very difficult to follow the shortest distance. But among the possible paths, one can always choose the one that brings one closest to the desired destination. Therefore, it is important to establish this guiding principle. Furthermore, we believe that post-materiality would require a reduction in the costs of managing resource allocation tensions, a reduction in healthcare costs, improved longevity standards, and a reduction in retirements that render a person disabled even though they may need (due to their personality and vitality) the pleasure of working or belonging to a social group, thereby reducing retirement costs. This would take into account the individual, not a chronological fact.

Returning to our pre-material situation, this paper attempts to demonstrate a system of economic growth and development for states and governments. In our system, we propose that both growth and development are a function of how resources are allocated and managed. For this allocation and management of resources to be functional for economic growth and development, we propose two pillars: that social actors share a social mandate, and that there be a critical mass of operators that allows them to ensure that public and private actions are consistent with the objective stated in our mandate.

We have observed that in prosperous (material) countries, for some reason, the result of all the activity of the society represented by the actors (people, companies and government) ends up leading to prosperity for that society and that this is a consequence of sharing values, principles and knowledge that are not necessarily written down but are respected and enforced (social mandate).

Economic growth and development are and have been approached in different ways. Unfortunately, today there are no theoretical tools available to define the origin and evolution of what we call the social mandate. So what do we do to overcome this gap? Here, we came up with the idea of appealing to pedagogy, filling this need with content. The question remains: with what content do we fill this mandate? We define three economic stages: prematerial, material, and postmaterial. When a society is in the prematerial stage, any action it wishes to undertake—whether social, business, or personal—will inevitably require resources.

It must choose global wealth as its content. This means the supply of tangible and intangible resources we have to realize the desires of our social actors. Furthermore, it is a content that does not contradict current academic knowledge and, by definition, is easily understood by its members.

In pre-material societies, there is a competition among all sectors for resources. Poor arbitration inevitably leads to a decrease in global wealth. A problem arises: How are these situations arbitrated? The content of our commandment appears on the scene: global wealth. It is impossible to open a dialogue in which one of the participants tells the other that their objective is to seize their wealth. A more constructive problem then arises: How can both parties increase their wealth? And in the solution to this new problem, technology, the imagination of entrepreneurs and government, and knowledge appear as primary factors. Here we can see how the content compels a more stark and frank message. The existence of laudable content in itself does not guarantee the success of our objective. Given that in the act of governing (managing and allocating) in a society, there are millions of social actors who must arbitrate the allocation of resources to satisfy their desires, this problem generates a significant number of situations to resolve, and this number of situations is proportionally related to the number of officials who must manage them. And there is a minimum number of officials that allows for such administration in a timely and proper manner. We call this number the critical mass. Its absence inevitably becomes a breeding ground for diseases of growth (anthropophagy, intellectual dishonesty, and corruption).

What happens when a minister arrives at a ministry with three or four trusted people? They can manage their agenda, possibly take charge of the most important files and provide personalized follow-up, but there will surely be countless situations that will have to be resolved by the ministry's employees. The scenario outlined above works when there are abundant resources in the system and all situations are favorable. When the environment becomes more conflictive and adverse, it becomes necessary to oversee the resolution of countless situations. The weakest actors are those least able to withstand adversity and arbitrariness. They can be compared to babies in an incubator where, if not monitored, they are unlikely to survive. This is where our two concepts come into play again: critical mass and mandate. With these two elements in place, it is quite possible that our minister and his five trusted employees can manage and care for all the incubators, overcoming any epidemic that may arise.

If things such as the national, provincial and municipal governments sharing the content and their respective critical masses of

If staff and management act quickly and consistently in the established direction, countless projects involving these institutions would become viable and allow for development and growth opportunities for society as a whole. For example: In Argentina, there is a hydraulic network (Matanza Riachuelo) that is completely contaminated. It passes through several municipalities, and the rivers are national. For years, this conflict has not been resolved due to the competing interests and costs at stake in each of these institutions (job losses, investment in industrial liquid treatment, etc.). If the entire management structure of the different municipalities and the national government shared a goal of urban development, a goal of minimizing the health costs brought about by the pollution of this river, and a goal of allowing real estate development on its banks. Perhaps instead of apathy (intellectual dishonesty), meanness (lack of will to make investments), and intellectual dishonesty prevailing regarding the health costs of people near the river would force us to address this problem and try to improve it as much as possible.

As we can see, the existence of a social mandate (global wealth) takes on a leading role in the management and allocation of resources. For example, Japan is a society aware that its survival depends on its labor. It has no natural resources that allow it to live without working. Thus, in our definition of operational wealth (available stock plus transformation capacity), the only term that can be substantially improved is transformation capacity. And as we explain later, this term includes education, healthcare, resources per job, design, development, technology, innovation, creativity, etc. Therefore, it is logical that a society without resources and with a high economic standard would allocate and manage resources in pursuit of the aforementioned.

The existence of this mandate in society would also allow for more equitable commercial ties. For example: the relationship between industry and supermarket or society and the financial system. Again, in the ties between these social actors, if both shared the concept of global wealth, they would seek a path that favored the growth of both. Example: Walmart, at a given time, had a retail supermarket and a wholesale supermarket on the same premises. The author had the opportunity to negotiate the sale of merchandise in both locations. The discussion in the retail supermarket was about price, which means that if the price is too low, many more units need to be sold to obtain the same profit, since the margin is reduced. And a low price implies the need to manage large volumes and the risk that if demand decreases, the system will not be sustainable. The wholesale sector presented the circumstance that its customers did not want to buy products individually, but rather by quantity. Finally, work was done by varying the quantity of goods per sales unit and the price. And a solution was reached.

A result in which both parties benefited. This effort to study and analyze the market between the buyer of Sans Club at Walmart and the company where the author works was unprecedented. Generally, all negotiations with this type of distribution chain end up being unilateral and harmful to the supplier company. But there was an example in which we were able to work toward a common goal that benefited both parties. There was effort versus laziness, there was stewardship versus negligence, there was humility versus omnipotence, there was reflection and a search for wisdom. From all of the above, it can be seen that if the company's management had educated people in the concept of global wealth, possibly another employee of this or another chain would have behaved the same way as that buyer of Sans Club at Walmart on that occasion.

This paper understands that a large part of the political problem in prematerial societies is managing conflict between social actors. Obviously, this can be resolved by managing forces (power) or by adding content. The management of forces does not guarantee growth or development and generally accumulates tensions, which, when released, undermine it. On the other hand, the existence of shared content in society reduces tensions because there is an explanation, a common goal, and constructive dialogue.

Company system

The system proposed in this work aims at the economic growth and development of the company. It is situated in a pre-material society, therefore, its main objective is to manage the greatest amount of tangible and intangible resources to increase its transformation capacity and satisfy the desires of its clients and the objectives of its entrepreneurs.

Our companies, as we've already mentioned, compete with the government and individuals for the provision of these resources. Therefore, their external limits will be determined by these other social actors. It's important, as a matter of position, that these limits exist. There are also internal limits, which are related to the capacity, creativity, innovation, knowledge, and personality of our entrepreneur.

As explained above, growth is a function of resources plus their management and allocation. Government and individuals compete for the availability of resources. And the entrepreneur's capacity is strictly related to their management and allocation. Why do we make this obvious point explicit? The material world, which forms content, denies the existence of material constraints and focuses on the attributes and capabilities of the entrepreneur. Here we find ourselves.

Again, with a phenomenon of transculturation. This position is correct if the country or society in which we operate is in a material stage (almost infinite supply of financial tools and resources: credit, stock issuance, venture capital, etc.). When we find ourselves in societies in pre-material stages, the struggle also occurs over access to resources, regardless of the project's attributes. For example: in a material society, the most profitable projects are supposed to have the support to be implemented. In a pre-material society, the one with the best connections or the one with the most power will likely end up having this opportunity. This is so, as long as the social mandate doesn't appear. This mandate, with the content we propose, maintains that resources go where global wealth is maximized. For in a pre-material society, allowing one sector's wealth to increase at the expense of another is, for us, a disease that impedes growth. And given the precariousness of our universe, we cannot allow this slip-up.

Having understood the environmental issues, let's look at the problems of a company. Within a company, there is also a struggle over how and who allocates resources (production will want to build buildings, treasury won't because it has to pay for them; sales management will want to advance revenue to meet goals; administration will be angry because it has to advance taxes). As we can see, here again appears a cluster of interests that may be aligned or misaligned. And in general, when they are misaligned, they don't produce growth. Let's apply the concept of global wealth to all our sectors. Each one will have to evaluate how much the company's global wealth improves due to the chosen allocation strategy. Obviously, the path that maximizes its wealth will be chosen. It's important to note that our definition includes an intangible: the capacity for transformation. This will allow us to take advantage of opportunities that are not always reflected in conventional analyses. The existence of our mandate must allow us to reduce tensions between the different sectors, given that they all seek the same objective. It must allow for improved resource allocation, reducing the costs associated with conflicts between sectors and the egos of officials. These two factors will be subject to the judgment of global wealth. Therefore, if these interests are not aligning with global wealth, selfishness, laziness, disinterest, and superficiality quickly become evident, helping to judge the performance of each of our officials.

In our system, it is also essential that the line of command and the line of management understand these concepts (critical mass), share the objective, and once all positions are reconciled and the path assumed to be the best for the company is taken, everyone is aligned with that objective. As can be seen, in the growth equation, critical mass is the one that

contributes the most to management. The mandate and its content are the spirit of the resource allocation analysis. This defines our system for the company's growth and development.

Person system

The proposed system aims to satisfy people's material and immaterial desires. It should be noted that in this desire satisfaction, there is an initial stage in which the word "desire" can be replaced by "needs." And as these needs are satisfied, we reach the interface point where material and immaterial desires begin to coexist. The prematerial stage ends at the interface point and is more associated with needs than desires. From the interface point, one can choose different paths: the material path, the postmaterial path. In prosperous societies, the postmaterial path has not been implemented. It seeks to ensure that each person finds a balance between their material and immaterial desires. Obviously, to satisfy these desires, people offer their time to society (work). Our mandate must allow them to manage and allocate that time, improving its quality and value thanks to its capacity for transformation. An example of available time: part of it can be allocated to work, part to study, and part to leisure and family. And how one works and what one studies lies in the capacity for transformation, which will allow the individual to obtain the best possible value for themselves. One of the differences between people and companies is that in companies, the quantity and quality of what is produced can be improved. In contrast, people have a finite amount of time.

This mandate will allow us to engage in constructive language with other social actors: government and business. And it will allow us to better understand how to allocate our savings. It's important for us to understand that if we are at a material stage, the value of our mandate must incorporate intangible desires (study, communication, emotions, perceptions) that will allow us to feel satisfied and fulfilled.

Chapter 1

Why are growth and development necessary?

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Why is a system necessary? of growth and development?

A logical question is why there should be economic growth and development if both could be absent. There are several alternatives to addressing this topic. This chapter chooses to begin with the following question as a trigger: What do people need to live? The answer is inevitably resources. How are these resources generated? Based on what we have, plus what we are doing, plus the amount produced by growth and development. This is inevitable and circular: the world's population is constantly increasing, and therefore, there is a parallel increase in demand for material needs (resources), which must be matched by an increase in their supply.

What social needs exist? (Census and results)

What does it mean to have needs that need to be met? This is a topic that deserves a little more in-depth research. The National Institute of Statistics and Census (INDEC) in Argentina works with terms like "unsatisfied basic needs" or "poverty rate," but the reality is that these are arbitrary parameters taken from a supposed model of human consumption. This book divides society (people) into three stages: pre-material societies, material societies, and post-material societies. This classification arises from a survey that must be conducted. It consists of asking people and the companies surveyed about their desires and then relating the responses to their respective incomes. It is presumed that in a pre-material society, what people need to achieve happiness would be resources such as food, housing, shelter, transportation, healthcare, etc. In contrast, in a material society, needs such as a better car or a weekend home begin to emerge. Finally, in the post-material society, having already found satisfaction for their material needs, people seek to satisfy their immaterial desires.

In today's developed world, the basis of marketing is to sell the idea that with more resources, individuals will be happier, when the reality is that these societies should produce more people capable of reaching postmaterial stages. Consider the number of famous and wealthy actors seeking their postmaterial path in Asian cultures. In religion, it is thought that this path is a consequence of a pedagogy based on finding what allows each individual student to achieve balance between their material and immaterial desires. And to achieve this, it is not necessary to go to India or other countries, but simply to carry out internal work aided by an institutional pedagogical context and a change.

in social valuations that coincide with the material and immaterial desires of people.

The truth is that this dilemma hasn't even been addressed at the pedagogical or institutional level. This lack of awareness results in a high rate of mental illness (many of which culminate in suicide, depression, drug addiction, and alcoholism) in material societies.

Within this work, this is the place where the transition between needs and desires begins. For example: if a person earns 500 pesos a month (and with that they need to feed their family), when asked what they need to be better off, their answer will likely be a higher salary to adequately feed their children. This is a prematerial situation (need). If, on the other hand, a person has a good monthly income and wants to eat sushi every day, have a weekend house, or a bigger cruise ship, this is a material situation (desire). If that same person answers that they need time to study, paint, do some activity that gives them pleasure, or work on a topic that interests them, this is a postmaterial situation.

The interface point can vary for different people: a Buddhist monk who eats with one hundred dollars a month and has found his balance between material and immaterial desires, reaching a post-material situation. Similarly, there may be a man who has his family, his job, his barbecue every Sunday, and with that situation has achieved his material and immaterial desires and aspires to nothing more. Again, a post-material situation. It's important to introduce here the topic of the vision of the other, of otherness or difference. Let's imagine a primitive society in which, with an income equivalent to one hundred dollars, a family meets its needs with that level of income. Then a citizen of the first world approaches and proposes monetary incentives, offering social success based on results. He will surely be perceived by that family as an alien, since the distance between the interface point of that society and the interface point of material societies is abysmal. For all cases similar to this one, there are two possible solutions to the problem: brute force, that is, invading and subduing them (dictatorships fall under this option), or citing Vygotsky and Ausubel and working with pedagogy to help the people of that primitive society become more in tune with the desires posed by the material world and, based on them, generate change. This path is slower but is the one that prevails over time since it is not accompanied by bloodshed or violence. Implicitly, what was developed here brought with it the concept of critical mass. If there is potential oriented in the direction that interests us, society can be steered in the direction that is functional to the rest of the world.

Many economists argue that there is greater development in societies with less inequality in income distribution. This is consistent with what has just been stated: when there is a large gap between

A population's incomes vary, and those with lower incomes find different points of contact than those with higher incomes, and this prevents them from functioning within the latter's system. A practical example: a social group is accustomed to living in precarious housing, coexisting with diseases like Chagas disease; for this population, this is normal, and simply improving their diet and owning a television already establishes their point of contact. When in reality, the system requires greater labor and systemic commitment.

The interface point isn't fixed. When people reach it, but the system gives them opportunities for improvement, their needs slowly increase. In other words, this point is dynamic; therefore, it must be constantly measured.

Each interface point is associated with a quantity of resources to be provided by the system. Therefore, the quantity of these resources is constantly increasing. This is currently happening in China; previously, individuals worked for rice, but now they work for wages. This issue is reflected in that country's overall demand for resources from the world.

Now we are in a position to outline in detail the characteristics of the three types of societies defined above.

Is called **pre-matter society** The one in which 80% of its members have unmet material needs. This society is characterized by the fact that needs are fundamentally for material goods, and their satisfaction is, therefore, also material. In prematerial societies, the most frequent aspirations are expressed in phrases ranging from "I would like to have enough so that my children can eat and go to school" to "I'd be happy with a house with a material floor that doesn't flood so that my children don't get sick as much." Certainly, for those who aspire to satisfy basic needs, the gap between income received and necessary income is much greater than the same gap for those who yearn for material satisfactions not essential to life. But both remain in the position where the answers to their needs are material. Latin American, African, and many Asian societies, with the exception of Japan, are examples of prematerial societies.

Is called **material society** to one in which 80% of its members believe they would achieve happiness by increasing their material resources. The most important demands for happiness are for more symbolic goods, such as those related to comfort, luxury, and the sophistication of aesthetic and intellectual experience.

Is called **post-material society** to that in which 80% of its members have found a point of conformity between their material and immaterial desires. In it, concerns abound whose satisfaction no longer depends on anything external to the individual, nor on something that can be bought, rented or borrowed. Questions such as: Why am I not satisfied with my life? Or: What do I really want? These are questions that place us in a state of crisis.

At crossroads, we believe that post-material societies should help each individual find their own answer and, therefore, balance their desires. And we particularly believe this path is educational. Usually, the effort involved in making these decisions is high, because reaching the goal is a constant effort between oneself and the environment. For those who dare, life becomes exciting and challenging—in other words, more interesting.

If we find ourselves in a material society and we are at that stage, different combinations of material and immaterial desires are possible. We will exemplify the two extremes of these combinations: one, seeking to satisfy only our material desires—clothing, travel, a new car—or whatever we believe would elevate us spiritually, for example, consuming works of art; the other, to better or worse, navigate the rocky path of seeking balance between our material and immaterial desires at any price. More consumption or more experience? The post-material society puts us on the path to abandoning the condition of being held hostage by the system and beginning to grapple with the weight of freedom. This is the point of human development at which it is possible to achieve wisdom and focus on satisfying what we desire.

In the post-material stage, the saying that the rich are not those who have the most, but those who, having experienced the value of things, need the least, becomes true for the first time. Frugality is a virtue only for those who have. Extending it as a value to those who do not yet have their material needs met is a sign of foolishness.

Regardless of the stage of a society, individuals from all three stages coexist within it, in varying proportions. This is natural, and therefore, an inclusive attitude that allows for the coexistence of all people must be adopted.

By way of conclusion regarding what has been addressed here, it is argued that, in the first instance, one should always attempt to satisfy the social interface point, which has nothing to do with the basic food basket or the poverty rate, but rather depends purely and exclusively on each society and its reality. A concrete example: one could say that the minimum calorie requirement consumed by a working person per day is 1,500. Possibly, with carbohydrates, this can be easily met at a very economical cost, but if a diet containing protein is not also provided, that person will be less developed and with fewer intellectual possibilities. Following this reasoning, one can find a society in which its interface point is associated with a low income, given that it accepts satisfying its nutritional needs with carbohydrates. Based on this reality, we must try to improve its quality of life. This, of course, from a constructive educational perspective. From a populist perspective, the same situation would be solved by renting for 100 pesos per month to a large part of the population, thus placing them at the interface.

How is a country's stage defined?

Definition of a society's stages

For the purposes of this work, let us define society as the sum of social actors: people, companies and the state.

All three stages (explained and developed in previous chapters) coexist in societies, and in different percentages. We can say that a society where the majority of people are in the prematerial stage is a prematerial society. It's important to note that the remaining 20% include people in both material and postmaterial states.

A material society exists when the majority of people are in a material state. Let's analyze societies. As we've said, a society is the sum of the three social actors. So, if this sum is taken in absolute terms, it could be assumed that people are in a pre-material state, industry in a material state, and the state also in a material state. This would mean a highly automated industry, a state with good infrastructure. Is it possible to sustain a society with this degree of asymmetry over time? No. And an example of this was the USSR, where great efforts were made to achieve good infrastructure, good industry, and much of this effort was made at the expense of the Russian people's consumption and the sacrifice of private initiatives. Clearly, that model didn't work. It may have been valid at a certain point, when the USSR was very far behind the West, and under Stalin, it quickly improved its infrastructure, production, and technology ratios. But if those ratios don't produce spillovers to the population, growth ends. Here we take a position and believe that, within certain limits of tolerance, the material evolution of social actors must be harmonious, since very large gaps over long periods of time are not tolerated by the system.

From this we can say that a state is prematerial when 80% of its industries are prematerial, when 80% of its people are in the prematerial stage, and when most of the activities the government should carry out lack the resources to do so adequately.

If we consider a matrix in which one variable contains companies, people, and the state, and the other variable contains prematerial, material, and postmaterial, we can see that there are possible combinations, for example, a material state with prematerial companies and people. A material state with material people and postmaterial companies, etc. Any combination that is not homogeneous at all three levels leads to imbalances. These imbalances, when well managed over time, may allow for an improvement in the system as a whole. For example: if a clearly prematerial society receives access to credit, it is invested in improving state management. Thanks to this improvement (the state's capacity for transformation), laws are passed, regulations are made, and the system is regulated.

Regulations and controls that require a more rational use of resources, generating a surplus that allows for housing projects, increased productivity in industries, etc. As we can see, an imbalance occurs in one sector, and this allows for an improvement throughout the system. Unfortunately, if these imbalances are not controlled and managed efficiently, what was once successful becomes a disaster with uncertain costs.

How are needs satisfied?

Returning to the starting point of this chapter, it is postulated that needs are satisfied with resources. These are classified as consumables, disposable, usable, and intangible.

Consumables are those that people need to maintain their functioning as human beings, namely: food, electricity, among others. They are also essential for businesses and the state. All actors in a society consume these types of resources.

Second, available resources. If income exceeds consumption, this surplus constitutes available resources. In other words, these are resources that can be freely used, without the risk of being unable to meet basic needs if they are lost.

Finally, available resources can remain as such indefinitely or be invested in usable resources. The latter are, for example, a house, a car, a factory and its components, etc. This is important because many times we possess many usable resources (a person is rich), but the reality is that since these resources cannot be eaten and are not easily obtained, we can starve to death. This is what is called a "rich poor." It is very common in society for people to conflate consumable and usable resources within the same wealth, and tend to confuse them with each other.

All resources are the result of the efforts of society as a whole, and without this collaborative effort it is impossible to produce and then use them.

Chapter 2

When is there growth and development?

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When do growth and development occur?

Basically, the immediate answer to the question that serves as the title of this chapter is the idea that growth is a function of how social actors allocate and manage the resources they possess. While this does not guarantee growth, when the constraints of social mandate and critical mass are added to this equation, we begin to gain certainty about growth and development. For this book, as already mentioned, the content of this mandate is global wealth.

Who are the social actors?

Immediately after answering the previous question, another equally, or more, important question arises: Who is responsible for managing growth? It should be noted here that there are two social groups: those who manage resources and affect all social actors, and those who manage their own resources. The first segment is represented by the state and businesses; while the second is made up of individuals. Based on this classification, responsibility for the growth phenomenon will be distributed on a scale based on the amount of resources each social actor manages. Therefore, the government will be at the top of the ranking, followed by businesses, ordered according to their respective income. As a principle, it is true that businesses have the right to make money, but this should not affect the overall growth of society (here, the mandate appears as a guide for the actions of one sector relative to the others).

How do social actors act?

To achieve their objectives, social actors naturally seek the path of least resistance, least effort, or least allocation of resources. This approach may be successful in each case, but it can have disastrous results for the system as a whole.

Obviously, not comparing each actor's individual objective with a vision of the system as a whole is the simplest and most straightforward approach. However, once a mandate is established in society, it is inevitable that the actor participates in implementing the strategy to achieve its objectives without opposing the social mandate. This would lead the actor to rethink the implementation strategy, which is more laborious work. But with much more successful short- and long-term results for the actor and the society as a whole.

What factors affect resource allocation?

Continuing with the development of the topic, a question arises again: How does each of these operators affect growth and development?

It's inevitable that an action by one of the social actors affects the others. This relationship is inevitably conflictual. Having to recognize the existence of others and their needs is a limitation on the fundamental degrees of freedom. And here again, the social mandate appears as an integrating balm, which is what will allow us to resolve this conflict constructively. To illustrate this hypothesis, the following example will be provided. In general, large companies are positioned in the production of commodities (materials), and their commercial relationship with processors (those who transform the raw material) is strongly oriented toward ensuring their profitability. Profitability can be achieved by raising prices, lowering costs, or a combination of both. So, as a first step, a company that produces a commodity seeks international value for its product. If the local market demands this product and cannot afford it, this is a way of highlighting its poverty. For example, the export of meat from our country. Given that this is a strategic resource and a dam for containing social problems, the way the problem is being addressed by both the government and producers has no possible solution. Unless global wealth is involved, in which case the proposals would be: let's colonize arid Argentina, quadruple the livestock stock, and encourage consumption of cuts that aren't valued abroad. And in this way, the retention that the producer is paying to maintain an affordable price for the domestic market can be substantially reduced by being prorated into a larger export volume. But for this to happen, the government must guarantee the arrival of water through canals or pipelines to all the fields to be colonized. This investment alone can guarantee that the livestock stock could be doubled. To quadruple it, roads and rural electrification would also have to be added. But the negotiations presented in these terms never existed. Politicians always defended the strategic price for meat, and producers and exporters demanded the international price. There was never any dialogue or common goal. The result is that livestock stocks, for as long as I can remember, have remained the same or have been declining. In a world whose population must have increased by some two billion, the main food shortage in the future being protein.

Another issue is setting local prices. If a processor needs a raw material, it has two options: either import it or buy it from a local producer. The latter can manage its pricing strategy as follows. Either it sells to the processor at the international price plus all the nationalization costs, or it sells at the FOG price, which is the price it could export. This cost difference affects the productivity and competitiveness of the company.

The processors. And generally, our raw material suppliers position themselves at a bargain price compared to imported products. But this position constitutes cannibalism, since by taking advantage of their strategic role due to their location, they increase their profitability at the expense of the local processor's competitiveness.

This position is functional to its profitability but not necessarily to the economic growth and development of that society. How can this discussion be approached? One option is to tell the manufacturer that the price of their product is expensive, to which they will respond that they are paid that much abroad and why should they sell it for less on the domestic market? The other position assumes that the price includes import costs, so the manufacturer, when asked that the domestic price is higher than the international price, will respond: "If you don't like this price, bring it yourself," and you'll have to bring in a full container, costing more than if you asked me for what you need.

As we can see, our large company's responses are logical, and our processor is left without arguments to negotiate a situation that would allow it to achieve good profitability and, with it, equip itself and improve its products. Now let's rethink this dialogue with the social mandate. And let's hold the government responsible for safeguarding it. Then, other solutions would have to emerge that would resolve these disputes with minimal impact on the results of both sectors. Getting out of this dialectical quagmire is the government's responsibility, which, through the interpretation and creation of laws and regulations, can change the relationship between this raw material manufacturer and its processors, leading to a virtuous situation in which both grow. For example, tying their profitability in some way to a tax or financial benefit that becomes effective when these companies discover, develop, and improve their customers' processing capacity (the quantity and quality of the products made with their raw materials).

In many SMEs, which are direct clients of these large companies, their owners are workers whose daily struggle to survive, lower costs, collect payments, etc., takes away the time necessary to study and understand new production processes and their associated technologies. This knowledge is their obligation, since this knowledge defines the product strategy of these companies. For example: suppose there is a sheet metal stamping machine that has ten times the productivity in quantity and thirty percent better quality than the previous technology. But this technological success was not achieved solely by the machine manufacturer; it also required that the raw material used in this device meet different deformation and hardness levels than those previously used by the market. This will force the large company to produce this product with these new specifications. And since the increase in productivity, quality, and quantity is so significant, it will be able to demand a higher price than the historical product. In this case, the absence of a social mandate would allow these large companies to resolve their management issues.

Trade with exports. However, if the social mandate delivered by the government is met, conditions could arise that force the company to develop, improve, and help transfer technologies and knowledge to its processors. In the long run, this will result in greater stability in the domestic market and greater price stability (they will not be affected by international fluctuations).

The government, as a major operator of resources, is responsible for their use and what happens to them.

The decision-making areas are responsible for ensuring that these decisions help fulfill the social mandate (increasing available stocks, transformation capacity, and overall wealth). For example, suppose there is a crisis and the government uses the taxes it collects to pay for social assistance plans. The beneficiaries use these plans to feed themselves. As a result of the strategy adopted to assist the inhabitants during this crisis, there will be a "sewer" effect: all those people ate, defecated, and nothing was left. Imagine that same decision influenced by the social mandate. Here too, aid is given to lower-income people, but they are required to study or receive training in some task through companies aligned with the assistance plan, and in this way, we are left with greater transformation capacity or the collaboration they added to the products made. If we take a global view, in one case, nothing is left; in the other, there are more resources or greater transformation capacity. From the perspective of the government's social actor, the cost of one plan or the other is the same, so it makes no difference whether one option is followed. What's the difference between these two attitudes? Getting students to study and work is more work for public officials. But in the long run, this care for global wealth will inevitably lead to increased tax collection and, therefore, a greater chance of improving their income. This complacency on the part of the public official in managing the crisis is what we call intellectual dishonesty, since the public official addressed the social crisis but failed to address the medium and long term, which is also part of their responsibility. Their solution works as long as there are always resources to assist the victims. The day those resources are no longer available, a social crisis will ensue, because those residents, accustomed to living on such meager aid, were neither trained nor prepared to generate their own livelihoods. Thus, something that began with a clear humanitarian purpose ends up causing a social crisis.

For example, the Ministry of Education defines the teaching materials used in classes year after year. With the same effort, or perhaps only slightly more, standards and content could be proposed that would convert the Argentine publishing system into an export product for the Spanish-speaking world. In this way, local publishing houses would become larger companies. Note that this would be achieved with only

The goal is to increase the standards of the product offered. For this to be implemented, Ministry of Education officials must share the mandate, use it as a guide when acting, and strive to generate growth situations like the one proposed here.

One of the fundamental resources a country possesses is its human resources. Once again, it is the Ministry of Education that should have programs for the early detection of great talents and plans for their development. Without a doubt, this will translate into economic resources and future opportunities for the entire nation. In France, children who achieve high grades in secondary school are then sent to the Grand Ecole, where leaders with an intellectual and technical talent emerge, enabling their country to excel not only worldwide for its wines and cheeses, but also for the manufacture of Concord and high-speed trains.

One school of thought holds that the government should only provide its people with matters such as education, health, justice, and security. The rest of the decisions should be left to the market. For this book, as already mentioned, the government is one of the main administrators of resources and as such must not only address the functions already detailed but also a fundamental issue: generating the necessary regulatory frameworks that allow for the proper allocation of resources to generate opportunities for society. The SME Secretariat and universities should be places where potential talented entrepreneurs can be identified, then helped to develop and leverage them to develop and integrate into the industrial fabric, thus enabling a greater capacity for transformation. An Argentine entrepreneur who manages to keep his small business alive deserves special attention given that, with the limited resources he manages, he knew how to make all the strategic decisions that allowed him to survive the recurring crises the country has been able to manufacture. For example: let's suppose I sell umbrellas and I have a stock of one umbrella. I sell this umbrella to the Umbrella King, and a market crisis arises. This gentleman proposes that he pay me in ninety days instead of cash, so I stop working for ninety days because I need to collect on that umbrella in order to buy the raw materials to make the next one. Now, let's suppose I have ten umbrellas in stock and he makes the same request. Since I've known him all my life, I tell him it's no problem, I'll keep giving him umbrellas, and when he can, he'll pay me. In the previous example, a demand crisis arose, and the SME entrepreneur had to confront it. Here, we see two situations: the first is that the availability of more resources allows for more strategies. And the second is that our SME entrepreneur had the talent to assess his client's credit and retain it until the crisis is over. Our second solution involved an entrepreneur who knew how to accumulate and how to take care of the market in a given situation. These talents

Yet others are those that the system should be able to identify, assess, and support. These attributes will allow for further development and continued growth. This work of discovering, fostering, and supporting potential talent is neither developed nor outlined; however, it should constitute a basic principle in the allocation of resources for these ministries.

One question worth asking is how a small entrepreneur can develop their business idea on a multinational scale. Obviously, to achieve this, resources must be aligned. Again, for this to happen, a regulatory framework is needed for the allocation of credit, for the entrepreneur's acquisition of venture capital, for the taxes they will pay, etc. If this entire regulatory framework is consistent, our entrepreneur will be able to have a multinational company. Let's give an example, and the good thing is that the entrepreneur we're talking about could have been in Argentina or anywhere else in the world, and what he proposed was a business concept that, to carry out, didn't require major technologies. This is Blockbuster. Although it isn't a high-tech company, it is a multinational in the United States, and here, with luck, it would have survived the country's economic ups and downs. From this, we can deduce that there is something in the capital allocation system that is left to chance when, in reality, it should be part of a strategy.

Conceptual errors are part of the problem. For example, there is supposedly a budget to be allocated to SME entrepreneurs. The official who is supposed to do this earns 500 pesos a month, so he thinks that by giving 30,000 pesos to an entrepreneur, he's doing them a great favor, when in reality, in Europe and Japan, for a competitive position, the average salary is between 80 and 110,000 dollars per employee. The problem itself isn't giving 30,000 pesos, but rather how that entrepreneur can manage resources. This dimension of thinking and parameterization isn't outlined either. No worker who owns only a screwdriver will be able to achieve productivity that allows them to invoice 100 million dollars.

To summarize what has been said so far, for growth to occur, it is necessary to generate opportunities through the definition of standards and the transformation of existing ones. Identifying talent and creating a regulatory framework that facilitates their management of their own resources is essential. It is also important that public and private investment be seen as an opportunity to develop products and technologies that can be consumed by other countries. Finally, the purchase of goods by the State and large companies also generates opportunities for market development.

In Argentina, it is often thought that aid to entrepreneurs constitutes a perk. This is true if it is not accompanied by any compensation. Possibly one cause of what has happened in the country has been

That's it. Of course, there are exceptions; in the energy field, the development of atomic energy allowed for the emergence of companies like Sheffield (a valve manufacturer). This was possible thanks to Jorge Sábato, who maintained that the standards of each industry (automotive, aeronautical, nuclear, chemical, etc.) generate worlds of opportunity.

It's difficult to translate investment in research and development into the market. But it's essential to know, study, and understand the knowledge being managed and developed around the world. Argentina has very good technicians and researchers, and could also be an excellent country to complement with research from well-capitalized countries due to its affordable costs.

The issue of research and development, with all that it entails, has been approached from four distinct strategies around the world. The first is the Italian one, where a people with two thousand years of culture have developed an almost Renaissance-like sensitivity and appreciation for their entrepreneurs, keeping them at the forefront of technology. Notable examples of this are Ferrari and the manufacturing of machines and tools. The second is the German one (GTZ), where institutes were created to which entrepreneurs with some merit who have production or technological problems are recruited. There, they line up behind their issue until it is resolved in exchange for a percentage. In Argentina, this approach was attempted through INTA and INTI; the former worked, while the latter did not fare as well. The third is the American one, where there is a university-level military-scientific complex, and through it, there is a significant transfer of technology to companies that, in turn, subsidize the institute. When the institute is asked to develop a supersonic military aircraft, the cost (several billion dollars) is paid by the American government. But that knowledge can be extrapolated to other developments, and the development cost has already been amortized by the State. I once met a man who works in Silicon Valley, in a microprocessor factory. He had been asked to develop a high-speed chip with gamma ray resistance for use in an intercontinental missile. The development cost hundreds of millions of dollars for a production run of thousands of units. Because what they were really charging for was the development and implementation of the chip. Then, by lowering the standards, they had an advanced product in which the development cost had already been amortized. The last of the strategies is the Japanese one, where applied careers were developed. Professionals in these careers speak the language of both scientists and entrepreneurs, thus acting as a bridge between these two worlds. Efficiency and possibilities are clearly facilitated.

To conclude, we can see from the previous examples that to implement these proposals it is essential that the analysis of resource allocation is imbued with the social mandate (global wealth) and that the administration of these resources has a critical mass that allows the use and

Their allocation must be as rational as possible and not be affected by the diseases of growth. We believe that the critical mass in Argentina should be 1,000 public officials with structural thinking, 30,000 with behavioral training, and 300,000 entrepreneurs who understand that their profitability is sustained by moving in the right direction.

Strategic decisions and stage

As we have said, societies, businesses, and individuals can be found in one of these stages: prematerial, material, and postmaterial. It is important to clarify that if a society is in a prematerial stage, its businesses and individuals are not necessarily in that stage. Possibly, a percentage of them are in the material or postmaterial stages. What we will try to explain here is the relationship between the problems of each stage, which automatically determine the strategic decision to follow, and the understanding of the connection with the other stages to achieve actions that allow for communication that materializes in the development and growth of all.

In a pre-material society, there is no doubt that the strategic decision is to increase the existence and availability of resources. Unfortunately, when we find ourselves in these situations, there is a struggle between social actors for resources, and another struggle based on how the government manages public resources. The path that a pre-material government with scarce resources would have to choose is to try to transform every public and private act into an opportunity to increase global wealth. For example, our hospitals treat a significant number of foreigners, especially from neighboring countries. It could be said that there are organized tours to receive care in Argentina's public health system. Faced with this reality, one might get angry and prohibit care for foreigners, prevent them from entering our country, etc. Another reality that must be accepted is that, historically, the possibility of controlling the entry of foreigners and preventing them from receiving care has been almost nonexistent. So, what a Ministry of Health in a pre-material society, using the concept of global wealth, would do is try to ensure that this mass of people who engage in medical tourism leave as much foreign currency in the country as possible, enough to cover at least the costs of their therapies, human resources, etc. All of these strategies, which ultimately prevent us from spending physical and human resources on non-Argentine citizens, could also be viewed differently. The other way is to consider our healthcare system as a product with a market in neighboring countries, which therefore deserves to be compensated in the best possible way. Therefore, we could impose fees for foreigners (charged in hospitals), require a minimum health insurance policy for all foreigners entering the country, authorize care only for people staying within a five-block radius of the hospital, allow the cooperative of these hospitals to charge a fee to these patients and, in turn, compensate the doctor more effectively, etc. As we can see in this example, from a loss we went on to make a business and if we want to continue dreaming we could offer health services to neighboring countries in exchange for markets, raw materials, etc. As we have said on some occasions, in a pre-material society no

Any public or private act can be associated with waste. These resources will always be essential for some other social actor. The challenge is to try to use the available resources, and the allocation that politicians make of them, to generate more opportunities. A laudable example is the Tango World Cup held in Argentina. This event generates tourism, consumption, etc., and luckily someone thought of holding it here; it wouldn't have been surprising if an American company had organized the same event in Las Vegas, thereby appropriating something inherent to our country. It would be like watching how one of our intangible assets becomes the heritage of others. Along these same lines, we can consider that part of the City Government's budget for Culture, Tourism, Education, and Historical Monuments should be aligned with tango, as it is an internationally recognized and valued folklore, of which we should be the owners, but since it is intangible, ownership is granted by paternity and authority. Two actions that, if not performed by one, are performed by the others. Here again, we can see that a cultural budget somehow increases global wealth, as it increases the capacity for transformation (clothing, tango shoes, etc.), infrastructure, themed hotels, intangible assets, intellectual property rights in music, classes, history, books, etc. Note that with a proactive attitude, we generate a world of possibilities. What prematerial societies must be wary of are transcultural phenomena. This means: within society, there are companies and individuals who are at material stages and who have a logical reasoning framework specific to those stages. But this coherence does not necessarily coincide with the objective of increasing global wealth, which is necessary in prematerial society. What this book attempts to do is to ensure that wealth, which is a common good in both cases, allows for rational dialogue and for efforts to be aligned toward a growth outcome. Possibly, both will have to give up some of what they seek to maximize their results. But this small sectoral sacrifice generates greater global growth. That's why it's essential that both the surrender of profits can be made explicit and negotiated, and this is made possible by both a common goal and a common language.

In these pre-material societies, the goal of growth and development sometimes borders on the ecological and sustainable. As we once heard, "I won't cut down your rainforest, but will you feed those who live in it?" This is a problem with Brazil and the Amazon. Curiously, all of Europe was once an oak forest, and today, a tiny fragment of the natural European forest remains in Bulgaria and Romania, and the rest of the continent has succumbed to the rationality of progress. So how is it that Europeans cleared the entire continent, yet the Third World can't do so because of global warming, even though it has people living in malnutrition and poverty? Here again, the phenomenon of transculturation occurs: In material societies, already capi-

In pre-material societies, their inhabitants are concerned about their health, the environment, and the future of their descendants. In contrast, in pre-material societies, their inhabitants are concerned about how their descendants survive. As we can see, two problems arise here: several millennia that Europe had already accumulated versus the 515 years we began. And what is most curious about this discussion is that both positions are true and both are valid. So, in the face of these types of arguments, we must talk about lost profits from the land, about protections, about rising prices for raw materials, about generating activities that allow these inhabitants to eat and provide them with health and education, so that their way of surviving does not harm the environment. For this to happen, we are both responsible. It is the responsibility of both to assume the solution and then carry it forward. To carry this discussion forward with dignity and rationality, once again, the content of this book, *Global Wealth*, is a good way to begin this dialogue. The stigma of pre-material societies is basically survival, accumulation, and increasing people's access to a decent quality of life. From these premises, strategies inevitably arise to achieve this.

Now let's analyze the position of a material society. They seek to maintain the levels of consumption they already possess, preserve the standards of education and health they have acquired, and ensure that these standards are maintained and increased. Since in these societies the majority of the population also enjoys a material situation, the coherence of the system is much more consistent. The other problem faced by prematerial societies is that their leaders generally find themselves in a material situation and facing problems of this nature. If these leaders cannot decode their knowledge and adapt it to the premateriality that surrounds them, they end up making decisions and taking actions that border on intellectual dishonesty. The problems of material societies force them to face problems of security, resource availability, and maintaining their degree of freedom compared to other material societies, a balance among material societies, a balance that can today be measured in the degree of patent generation for new technologies.

We are at a moment in history where a percentage of the population of material societies is expressing its post-materiality. As we have said, the cost of managing social tensions can become so high that it inevitably forces us to embark on the path of post-materiality. Another situation that can force post-materiality is the competition for resources. We believe that post-materiality leads to a lower demand for resources from material countries. This will inevitably be a relief for the rest of the world's population, who are trying to improve their quality of life. The competition for resources will be less fierce. To give you an idea, with the supply of resources and technology that exists today, if all the inhabitants of the

If many people on the planet wanted to achieve the consumption standards of Americans and Europeans, it would take three planets. How can the American and European people reduce their demand for resources without it being perceived as a decrease in their quality of life? I believe post-materiality is a viable path to achieving this goal. Curiously, the system suffers from a structural incoherence. On the one hand, it leads to producing more and selling more, and those who can afford it are the richest. There's also the ideology that the more they have and consume the more, the better off they are. Furthermore, the Chinese and Indians who try to improve their quality of life within the Western rules of the game end up in a perverse situation where they offer goods and services to the material world while improving their capacity for transformation and quality of life. But these inhabitants end up competing for resources with material countries. Obviously, throughout this discourse, there are times, but China and India are experiencing trade surpluses and GDP increases that force them to compete for the supply of raw materials.

As we've explained elsewhere in the book, international trade is a very small percentage of total consumption. But this exchange is what sets the international price of food. So a small increase in total demand transforms into a massive increase in global trade. And this leads to a astronomical price increase. Post-materiality will buy us time until new technologies offer technological solutions to energy supply that allow us to raise new frontiers for citizens' quality of life.

Trust and institutionalality

For human activities that require the participation of more than one person to exist, mutual trust is essential. We'll give examples based on commerce or doing things. But they can also be applied to healthcare, education, and justice. For any activity to be carried out in which another human being participates, it's essential to have trust in them. What is trust? Is it knowing that they will do things right? Believing that we share a common criterion? Thinking that they act selflessly? Assuming that they have all the knowledge and will make the best decision? As we can see, trust can be perceived and measured in many ways. Furthermore, if we want to measure it through the results obtained, it can also be associated with various productivity levels. Let's try to define my trust parameter. In principle, I trust everyone, and then their behavior, based on the facts, adjusts that definition to the range it deserves. Furthermore, there are different types of trust: in manual skills, in physical abilities, in reasoning, in decision-making (ethical, aesthetic, or moral trust). A common ingredient in all types of trust is that the bond involves mutual consideration. I would venture to say that this last attribute is the most important. As you can see, the universe of trust has several subgroups, and people, companies, and institutions will need to consider some of these parameters to gain the trust of others. For example: a carpenter is trusted to make furniture in compliance with the rules of good craftsmanship, and that implies good workmanship and structural resolution. In commerce, one trusts another if they pay on time, if quality control is agreed upon, or simply for the fact of being taken into account. It may be that someone does not pay on time or in full, and the parties have not agreed on quality control, but the fact that one takes the other into account implies a certain trust. This means letting you know, explaining things to you, answering the phone, and being contactable. All of these behaviors build mutual respect.

In any activity we undertake, there is always a margin for noncompliance. And trust in others is what allows us to overcome fears and begin the movement. What is trust? We trust others when their actions and statements align with what we believe they should do. And if not, we have the ability to communicate to understand each other's positions, trying to find a common solution (take this into account).

Can a business relationship be built on mistrust? Yes, it is possible, but it will be much more difficult and slower to achieve the desired result. Trust is built into behaviors, attitudes, and records. It's a construct. For example: if you ask someone to sell you something, you have the

Trust that the person will deliver what they want to buy, and they trust that they will be paid. When these obvious situations don't occur in this game of hopes and behaviors, trust begins to be destroyed, which inevitably undermines the possibility of development and growth. Starting, as has been demonstrated, from the idea that both development and growth are closely linked to commercial activity. For example: if an industrialist asks a supplier to send them raw materials, and the supplier doesn't send them in a timely manner, there may be a shortage of this resource in the production line, resulting in lost profits. This then leads to a loss of trust in the supplier. We can say that trust is the faith I have in the other person and that the other person has in me. It's intangible. Many economists believe that for economic growth to exist, there must be a high degree of institutionalization. Our position is that there must be a high degree of trust between institutions, people, and companies. They believe that by complying with laws and regulations equally, a framework of predictability is created. They also believe that this would lead to the proper development of society. My position is that for the aforementioned to be fulfilled, government officials must have confidence in businesspeople and citizens. Citizens must have confidence in businesspeople and in the government. And businesspeople must have confidence in the government and in citizens. Let's look at the current relationship. The government views businesspeople as an object of use and abuse, because on the one hand, it imposes regulations that are impossible to comply with. On the other hand, it taxes them inappropriately suited to the business environment, and since the votes are on the side of the people, the social and union charges for businesses are insane. Given this reality, they experience their environment as an enemy. Therefore, their decision-making behavior is "defensive," trying not to take risks that, if things go wrong, would require the help of others. The State is held hostage by its own employees, its own inefficiencies, and subject to the arbitrary decisions of the politicians in power. Given the high level of inefficiency and lack of solidarity with its clients, both individuals and businesses, it is perceived by society as a parasite. People, victims of poor health, a nonexistent retirement, and a mediocre education, are discovering the impossibility of building a home and achieving any standard to reach their point of integration with their own efforts; they either resign themselves to it or become resentful. This path leads to social violence. As we can see, the problem is not institutionality but generating trust. This means that anyone who goes to a sanatorium, find that the doctor is concerned about your health, is concerned that the patient is well cared for. That the businessman manages resources responsibly, with his profits generating new and good jobs, new products with new and better jobs. And a government that cares for and worries about its population reaching the

interface, concerned with aligning resources behind talent, which will allow us to make two plus two equal five. And this increase in wealth will somehow be capitalized by society. What a difference it makes to feel that on the other side there is not an enemy but a person, an institution that shares the problems, concerns, and difficulties with which one approaches! Here again, taking others into account appears. Possibly, taking others into account is not at odds with institutionality. But it is very difficult to distinguish which comes first. Once again, global wealth sets a common parameter for everyone, where the official in front and the citizen have to find a path within which both benefit. That is why the benefit is provided by sharing a commandment. The absence of this leads to anarchy, to unilateralism, and this leads to distrust, to the imposition of the strongest. Following this reasoning, a shortcut to trust is to install a content in society. And from there, build links consistent with it.

As we've said elsewhere in this work, the spirit of the law is given by men. Let's imagine a municipality with a building code. Let's imagine a citizen who bought a plot of land that allows him to develop a project whose size exceeds the scope of the code, but which would allow for tourism and commercial development in the area, with the resulting improvements (in jobs and income), whether personal or tax-related. This man goes to the municipality, and if he knows his project is sound, not abusive, and good for the community, it's logical that he has hope for its approval. A good government would study it, and if it meets environmental and infrastructure requirements, it would possibly approve it. A bureaucrat hides behind the regulations and tells him it doesn't comply. In this case, we can see that if institutionality is about enforcing the rules, our employee was very institutional. But I'm sure our developer's feeling is one of distrust and lack of hope in the system. Surely, due to the poor behavior of this official, the institutional framework is seriously threatened.

Conclusion: Trust is built on the fact that both parties share a common goal. This goal shouldn't be at the expense of others (for example, building a monstrous building that ruins the neighborhood), nor should it be the product of a privilege. Both the official and the entrepreneur should be able to discuss the best course of action at a table, each with arguments and a firm intention to improve. This is why the global wealth tool is valid, as it allows both to model, calculate, and balance, choosing the path that maximizes it. In this example, the developer may want to build the largest possible number of square meters, and the official must limit and orient them so that those square meters serve a purpose that is beneficial to all. For example, if the building is going to be high-end and sensible, it can enhance the area's value, and that benefits all the residents. If the project somehow incorporates tourism, hospitality, or commerce, it can also be beneficial.

Being good increases the value of the surrounding lands for trade, the convenience of supplying neighbors, and the possibility of generating more employment; sharing these principles, the decision is obvious and one could almost say automatic. Note that trust arises from sharing a goal, sharing content, and sharing the visualization of these goals. Thanks to this sharing, confidence arises that we will be able to walk a path together. This trust may coincide with a situation of institutionalization. But the reality is that it comes before. First comes trust, and then follows institutionalization. In some ways, this work seeks to expedite this process.

In the aforementioned, we spoke of a project, a dream, an intention. Note here that all of this may appear explicit in the entrepreneur's approach. But the result of the product in its materialization is a universe of pettiness that even forces its demolition. How do we combat this? It is combated with history, with precedents, with track record. In many discussions with officials, when history, precedents, and track record are weighed, the offer is reduced to a tiny number of companies or individuals. Officials then say that for them, it is undemocratic to make decisions for one or two contenders. This is a false criterion of fairness because, due to this need to generate more participants in the game, the quality associated with a track record and which will provide confidence that the entrepreneur will produce the best possible product is no longer prioritized. Here again, the factor of trust, the factor of talent, and the factor of responsibility appear. This is why the records of every person or company that wants to manage resources must be carefully prepared and parameterized. Because this will be the foundation of the human resources that will generate the transformation. It is essential that the construction of this record be methodical and systematic. And that everyone, regardless of their size, can develop this path so that through it they have the greatest support from society, as society trusts that their performance will be in the direction it needs.

Strategic thinking about premateriality and materiality

In prematerial societies, economic growth is not harmonious. There are actors who are in the material realm and an overwhelming majority who are in the prematerial realm. Furthermore, the prevailing discourse says that the greater the effort, the better the subject will do. Unfortunately, this discourse does not take externalities into account. This means that it does not take into account the

Lack of capital, lack of infrastructure, lack of technology, trade barriers, etc., lead a large part of the population to a situation of hopelessness and dismay, which can lead to resignation or violence. The group of people who find themselves in the material world perceives this situation and is aware of how exposed they are to the desires of these majorities. This entire phenomenon is extremely clear in pre-material societies. In material societies, the sense of threat is external. The poor are those outside our territory. And they are the ones who desire what the wealthiest have. Two interesting themes emerge here: one is conserving what we have, and the other is increasing what we have. And from the analysis of these two strategies, the security and foreign policies of these countries emerge. For example, as we have seen, an active society needs to consume energy. It is imperative that in foreign policy, access to this resource, if not available domestically, be managed. Otherwise, it undermines growth. Therefore, in this example, maintaining the wealth standard is linked to access to energy.

Another interesting point from this perspective is that to maintain the development and growth we have, we cannot ignore what is happening in the rest of the world. A war between Argentina and Brazil, let's say, could affect my internal situation. That's why material countries have an arsenal of foreign policies and armies to operate in case diplomatic and commercial avenues are exhausted. One of the most common foreign strategies is to balance regional forces (Iraq-Iran, China-Russia), which are like situations that allow for maintaining equilibrium within the status quo. This minimizes the risk that a violent change abroad could affect my internal status quo or my lifestyle. In itself, all material societies try to maintain their way of life, and therefore all members of that society are willing to make considerable efforts in security and strategic resources. An interesting point arises here. What happens when one society's lifestyle isn't shared by another, which manages its resources differently, and this material society needs the resources of this group of people who think and live differently? Historically, one of the possible solutions to these conflicts has been violence or the generation of bilateral conflicts, the resolution of which ends with both participants becoming indebted and, from this, the need for them to align themselves with the objective of the material world.

Our position on prematerial societies is that it is fruitless to oppose the path of the needs of the material world. What must be done is to align and try to make the most of that alignment to improve the living conditions of the population. It is very difficult to transform a feudal society into an industrialist one. Possibly, in a feudal society, there are many entrepreneurs aligned with materiality. This is why change is based on aligning these people with the commandment and trying to

to rake the system to obtain the largest number of these people and give them the greatest opportunities for development. Curiously, this strategy has nothing to do with the free market, efficiency, or competitiveness, given that these entrepreneurs who have to endure a society's cultural change start from a point where structural asymmetries practically force them out of the market. That's why I believe we must support them until they reach levels of accumulation that are their own and that of their environment, allowing them to achieve standards of productivity, efficiency, and competitiveness similar to those of their competitors. It's true that the economy provides us with a tool that facilitates this competitiveness: devaluations. But this tool, if not used judiciously, produces inflation and impoverishment of the poorest.

In our country, Argentina, social inequality has increased in recent years. There is a group of people, estimated at 10% of the population, who have access to everything the developed world offers in terms of healthcare, technology, lifestyle, etc. And the rest of the population is declining in wealth. Possibly, the distribution of this decline is log-normal. As a result of this reality, many compatriots have chosen to live in gated communities. Some of these neighborhoods border on the most absolute slump. But within them, services (electricity, water, gas, sewage) are available and are often fortified with perimeter walls. Almost as if they were walled medieval cities. The people who live in these places pay significant sums for their security and perceive the outside world as a potential enemy. The reality is that their security is precarious, as a large truck can knock down those walls and allow entry to people who will stock up on goods found within the premises. I don't think I'm mistaken in saying this same situation occurs with countries. Materials generate thoughts and situations similar to what happens in these gated communities. As an example, we can take Spain's problem with Africa. Spain finds itself in the European gated community, and the African people are in the most absolute premateriality. In this sense, the United States has been lucid and has created a buffer, Mexico, between their country and the premateriality of Central and South America. I believe this is a wise strategy, from their point of view, since it moves the conflict a few kilometers away from their border.

If what we're outlining is true, and we add to this the need to minimize the costs of implementing security and foreign policies, I believe it would allow us to understand many of the actions of the material world. The conflicts between Israel and its neighbors, the conflict between Iraq and Iran, etc. It's important to understand that one of the priorities of the material world is to preserve its commandments, its way of life, its levels of consumption and growth. And that we have to—understanding this reality—improve our exchange values, our product prices, our access to technology, our access to productive capital, and in this way offer our population—

tion, a permanent improvement in their quality of life. Denying this reality and thinking that one can offer frontal resistance, evaluating the differences in resources in all areas, is dangerous. I believe that a strategy based on accumulating small achievements within the most favorable environment is the way to move the goalposts without being targeted. For example: in the 1970s, all of South and Central America was ruled by military governments, which effectively drove these countries into debt. These illegitimate debts were used for three purposes: in Argentina, they financed capital flight (one hundred and fifty billion dollars abroad); in Mexico, half was invested in the industrial sector and half fled; in Brazil, the majority was invested in industrializing the country. Therefore, as I said before, within the limits of reality, Brazil worked in the most favorable environment for its development. Obviously, it was very difficult to resist the militaristic and debt-driven trend that prevailed at the time, but Brazil placed itself in the best position to foster its development. I believe that with clarity and acceptance of reality, despite the needs and vicissitudes of foreign policies in the material world, and with the theoretical framework and content we propose, we can move in the direction of development and growth. Sometimes very rapidly, sometimes not so rapidly.

Industry and State: Prematerial at the industry level

An industry is in a pre-material stage when its process lacks the resources to efficiently perform its function. The efficiency parameter is determined by the level of development achieved at that time by equivalent companies in a material situation.

A company is in a material situation when its concern is improving the efficiency of resource use, improving the quality and performance of its products, and improving the use of the goods and services it manages.

A company finds itself in a post-material situation when, in addition to the aforementioned problems, it also adds the environment, the relationship with its employees, and the long-term relationship with the market. If we draw an analogy with the definitions for people, we can see that in the material stage, a responsibility for resource management emerges, as does the need to satisfy our customers sensorially. In the post-material stage, if we want to have a long-lasting relationship with the market, we must maintain a healthy balance with the environment and with society as a whole. Antibodies will be present because, in order to have a lasting relationship with the market, there must be communication with social actors that would allow us to perceive technological, social, and organizational changes.

consumption, etc. in advance, allowing us to change our course in a timely manner.

State

A pre-material state is one that lacks sufficient resources to fulfill its function, which is to provide justice, education, health, and security, while also providing resources that, when managed, meet the needs of people and businesses.

A material state fulfills all these functions and, in turn, has resources that allow it to provide jobs, build factories, improve housing, etc. These resources do not necessarily have to belong to the state. But it must be able to influence them through regulations (laws, decrees, norms, etc.), monetary and fiscal policy.

A postmaterial state in which most social actors are above their interface point is one that is concerned with the quantity and quality of life of its inhabitants.

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Chapter 3

How to take care of growth and development?

Editorial Croquis 2009

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How do you take care of growth and development?

Before thinking about how to grow, you must resolve to take care of what you already have. It's inevitable to reflect on the best way to do so.

To assess the evolution of what we have, we must measure our overall wealth. Therefore, we will propose some indicators such as measuring operational wealth, the price density (pesos per kilo of product) of the products we export, resources per job, unemployment, etc.

It's very difficult to conduct a comprehensive global wealth assessment every month. That's why we suggest a portfolio of indices and statistics that, directly or indirectly, allow us to infer what's happening in the economy. Therefore, by closely monitoring these indices, we can begin to perceive how our parameters are evolving. In the specific case of rising unemployment in a country, we will have to analyze what's happening. Some people believe that if a sector of the economy is inefficient and loss-making, it must inevitably increase its prices to become profitable again, and as a result, this affects the development of other sectors. By upholding this theory, key sectors of our country's industrial fabric have been sacrificed. Does this approach work? Yes, but if one sector of the economy is eliminated, at least it should be replaced by another. Furthermore, the knowledge and capacity for change in that segment before being completely eliminated would merit a chance to update itself.

What are the diseases?

Often, all these barbarities occur because growth presents diseases. Just as in the case of human beings, the lack of "health" must be combated. So far, we have defined three distinct types of diseases that can attack growth and development individually or jointly: intellectual dishonesty, cannibalism, and corruption.

Evaluation form

In some of the courses I teach, I pose the following problem to my students: they are purchasing directors for the Ministry of Health in a country experiencing an epidemic that requires the immediate purchase of a vaccine. Within this framework, I ask them to present all the cases of corruption that may arise and list them in order of severity. The first case would be the minister who doesn't buy the vaccine, keeps all the money, and causes the deaths of 100 children (cannibalism). The second case

It could be that the minister is a bureaucrat who always misses receiving the final quote to complete the administrative purchasing process, and so he doesn't buy the vaccine in a timely manner, causing the deaths of 100 children (intellectual corruption). The third case would be that the minister buys the vaccine within the stipulated timeframe but keeps 10% of the budget allocated for that purpose (corruption). Finally, fourth, the minister would buy the vaccine and keep nothing for himself (honesty). One of the last times I did this exercise, a student posed a fifth case: that the epidemic was invented by someone. Without a doubt, it is a clear example of intellectual dishonesty. In the first two cases in this example, the official enriched himself at the expense of people's health; figuratively, he kept something that was assigned to him.

Developmental diseases Intellectual dishonesty

A few years ago, the European Economic Community asked the Spanish government to force Spanish farmers to cut down three million olive trees. A television program featured a debate involving Community economists, producers, government officials, and an independent consultant. Some were in favor of cutting down the trees and others were against, each group explaining its reasons, until the independent consultant took the floor and asked: "How many millions of dollars does Spain earn from olive oil exports?" He replied, "Between two and six billion dollars." (This figure is to be confirmed.) How much does Spain earn from tourism? "Twenty billion dollars," he replied. He clarified that Spain didn't have farmers, but gardeners, because tourists came to see its countryside, and this was part of its landscape. Thus, he ended the discussion (all the other panelists remained silent), defended the work of several thousand Spanish farmers, and saved three million trees that take decades to grow from destruction, all while maintaining a framework of respect based on a constructive approach. It's also worth noting that the debate maintained a high level of objectivity and politeness throughout. Without a doubt, this consultant acted without any intellectual dishonesty.

After this anecdote, it's worth asking why intellectual dishonesty occurs. It can have many motives; some are purely monetary (for personal gain), and others may stem from conviction, fundamentalism, or false principles. We believe that the possibility of some of these germs flourishing is due to errors in education, which we will call transculturalization. What does this mean? That the knowledge and conclusions constructed in material countries are not necessarily extrapolated to other countries. To clarify this question a little further, a personal anecdote follows. One day, it occurred to me to raise rheas (ostriches); while trying to obtain the necessary technology for the task, I contacted a biologist who had completed his doctorate in the United States and then worked for several years on an American farm dedicated to ostrich breeding. After much insistence, I managed to meet with this man in a bar on Córdoba and Suipacha Streets, a place where a friend accompanied me. Most of the time, this doctor spent his time talking about the problems with incubators, the studies he had been able to conduct with them, and how he had managed to improve hatch rates from 80% to 95%. At that time, I already had a pair of rheas that I hadn't been able to pay much attention to. But they had managed to lay ten eggs on their own, and six hatched with only nature as their help. Months passed until one day the area

was hit by a major storm. Two days later, all the sheep died, producing in me a profound feeling of sadness and frustration. By chance, one night while channel-surfing, I tuned into a program on the Rural channel where a Brazilian farmer was recounting the same thing that had happened to him. But in his case, the number of dead animals reached five hundred. This good man explained that from then on, he had modified his *modus operandi*: when there were three clouds in the sky, he would put the animals in heated sheds and wait for the storm to pass. Upon hearing this, I immediately thought that the doctor in biology hadn't warned me about this. Over time, this question continued to swirl around in my head, and I came to a conclusion. On the farm where the biologist worked, when there were three clouds in the sky, the foreman and the workers would take the animals to the shed without anyone having to tell them to. This situation had already become part of an established mandate in that farming community. And the reality was that the farm owner and the doctor believed that efficiency was determined solely by the proper use of incubators. While the lambing success rate without any mechanical aids is 50%, with the use of a mediocre incubator, the effectiveness rises to 80%, and with an optimal incubator, the positive results reach 90% or more.

The above is a clear example of what was termed transculturalization, where the technician was highly trained in incubators, perhaps so much so that he forgot other basic aspects of handling these animals. This error, which in one case resulted in the death of six animals and in another, five hundred, stems from a problem, albeit unintentional, of intellectual dishonesty, because the cost of this type of error is borne by all of us. And the nuance of responsibility is anecdotal, since the animals are already dead. In other words, the seriousness of the outcome is so significant that mitigating factors such as the fact that there was conscientiousness in what was being done are lost sight of.

Our universities are machines for training transculturalized people, wonderfully functional to the first-world work system. The conclusion we reach is that no one explains the obvious, but the obvious isn't so obvious. If we could have a methodology for correctly interpreting the reality around us, the product of an education in line with this need, we would have saved those animals. And this has social consequences as dire as those of corruption. Intellectual dishonesty, coupled with a lack of strategic and statistical thinking about the reality around us, results in serious errors in decision-making, which end up having immense social costs, namely: the decentralization of education, the implementation of high-school programs, the eradication of technical schools, the lack of intermediate careers, or the lack of reflection about the country we would all like to live in. The reality is that from this last task will emerge future possibilities for action. In societies without dreams or ideas—

the decision is left in the hands of the despot on duty.

At one time, I had the opportunity to interact with the Director of Industry, the Director of Environment, and the Director of Natural Resources of the province of Santiago del Estero, Argentina. All of them were technically well-educated individuals. The curious thing happened when they were asked what they would like their province to be like: they always responded by speaking ill of the current ruler, even though they were officials in that government. What was most striking was the inability of these people to share their dreams and fantasies because there is no system to repress them; they were all in their heads, or at least they should have been. Without a doubt, these transculturally educated officials received training that allows them to talk about other countries or handle global information, but it makes it difficult for them to dare to dream about their own country. Possibly, there is a conflict here between what is possible and dreams, but we believe the driving force is always a dream, an ideal, a fantasy, a utopia. And if adopted with courage and perseverance, without fundamentalism, one agrees to expose it to reality and make the necessary adjustments. This lack of standing in one's own country can lead them to become passive accomplices in the intellectual dishonesty with which the powers that be act. Indeed, without a social mandate, there is no reference framework by which to evaluate the chosen course of action.

When this disease sets in and there is no social mandate, society has no way to generate antibodies to defend itself against it. Once this reality sets in, it generates a sense of helplessness, disbelief, and anxiety in society, with resignation or violence as symptoms. All factors that hinder economic growth and development.

I remember that during the era of Martínez de Hoz, a neoliberal monetarist, I was doing poorly economically and financially, but I felt I wasn't doing anything wrong. Since I didn't have the logical framework to defend myself, I ended up buying a book about the Sophists and their philosophy to see if I could find the answer there. Perhaps this work I'm now undertaking emerges as a catharsis for that accumulated anguish and as an attempt at a solution so that times like that don't happen again.

Another example is our country's tax structure, which is flawed in several ways. First, based on a false principle of equality, large and small companies are treated the same, creating a universe of obligations for the latter that are almost impossible to fulfill, forcing them to become hostages to these regulations. I want to emphasize that a country is built on citizens, not hostages. The concept of this way of structuring regulations leads to the individual being held accountable, rightly or wrongly.

Anthropophagy

The Royal Spanish Academy defines the term as the practice of eating human flesh, usually ritually. In a way, this concept is taken here and extended to the situation in which one makes a living by eating another of the same species, a widely used method to achieve a transfer of income. If the government mismanages its resources, it will likely lack money. Faced with this problem, it has two paths: it can find a way to get its taxpayers to improve their businesses and pay higher taxes, or it can simply raise taxes. If a monopolistic company needs to increase its profitability, it has two options: increase production volume or raise prices, thus reaching into the pockets of customers. In short, in both previous cases, one of the alternatives involved living off someone else. When this connection arises between social actors, it creates an environment that is not conducive to economic growth and development, as all actors take a clearly defensive stance with respect to what they have. This situation prevents them from taking on the risks of new projects, as it doubles the exposure to project risk and cannibalistic attack, leading the victim to conservative situations with little exposure.

Cannibalism leads to a low-profile, mimicking behavior, as the brightest and best-looking are the ones exposed to being eaten. As a defense against this, people adopt a low-profile attitude, a false humility, resulting in a lack of successful examples and role models. As we can see, both victim and perpetrator affect global wealth with this disease. To combat it, we must recognize it, and the legal and regulatory framework must be able to curb these abuses.

Corruption

It's the least harmful of the three diseases, but the most punishable because it's the easiest to detect and diagnose. The other two are more subtle; they also kill, but not as visibly. Curiously, they don't appear in the newspapers, or if they do, they aren't seriously treated.

Once again, an interesting situation arises here: the fight between the obvious (corrupt) and the not-so-obvious (intellectual dishonesty and cannibalism). If we accept that individual behavior chooses the path of least difficulty and is associated with the obvious, it is easier to discuss and chat about the obvious than about the not-so-obvious, leaving cannibalism and intellectual dishonesty outside the analysis and reflection on these topics. In order to combat intellectual dishonesty and cannibalism, it is essential to study, understand, and

to understand the topics, the activities we are talking about and this implies a study that if not done it is difficult to evaluate the consequences of each of these behaviors.

With the assessment sheet for the various diseases, we are not justifying inaction or letting them go unnoticed. What we are trying to do is provide order and a qualitative and quantitative assessment. (Any business operator understands that they must monitor certain parameters in their management, and sometimes these parameters are not economically important but are socially important, and other times they may be economically important but not socially perceived in the same way.) Therefore, it is essential for any manager or executive to be able to evaluate these issues and correlate their importance with management (social mandate, reference framework). This assessment and measurement of the action confirms the professional success of the individual and the results of the management.

Obviously, the ideal situation would be to be able to attack all diseases simultaneously and with the same intensity, since it is preferable to have an excess of these virtues rather than a lack of them.

Our social system lacks a framework for combating intellectual corruption, as it lacks the social mandate and content, nor a critical mass of superheroes to safeguard it and allocate resources according to this way of thinking.

Disease map

Intellectual dishonesty Anthropophagy Corruption

Transculturation

We have raised the importance of language and its conceptualization, visualization, and understanding. All these mechanisms will allow us to communicate confidently in the same language. For example: in Eskimo culture, sculptures as we imagine them do not exist; there is no object resting on the floor, occupying a space. For Eskimos, carved objects exist, but they must always be held in the hands. So, when a Westerner talks about a sculpture, they think of the Trevi Fountain, the bust of Sarmiento, etc., while an Eskimo is focusing on a carved bone that they play with in their hands, for example. If we tried to explain the rules of sculpture to this Eskimo as they would be explained in any Western art school, they would understand very little. This constitutes a pedagogical problem. When this difficulty is not addressed, it becomes a pedagogical disease, a product of laziness or simply a lack of interest. In these cases, we can say that our teachers suffer from intellectual dishonesty.

Now let's suppose our interlocutor is an art scholar, has read everything in the system, and deeply believes in the methodology of contemporary art education. He has to go teach at the North Pole. Again, he may fail, but not because of corruption, but because of a problem of transculturation, since so much passion and knowledge in the subject may have prevented him from taking the necessary distance to understand what was right to do in this new environment. This example is based on the book ***Art and Visual Perception***, from Argentina.

Using the previous analogy, we try to explain many of the economic barbarities experienced in my country. For example: during Martínez de Hoz's time, the interest rate in dollars reached 36%, while in the rest of the world the same rate for SMEs was 12%. So, we told economists that Argentina had the highest interest rates in the world and beyond. Many of them explained to us that in the United States, the interest rate was double inflation, and that this relationship persisted in our country (they countered this reality with a mnemonic). Clearly, they forgot that the interest rate must also be correlated with the real economy. Because if the company, the country, or the people don't have a business and/or the productivity to pay it, they end up in a crisis, which is what ultimately happened.

After the Martínez de Hoz period ended, and with a traumatic departure from it, a group of Argentine economists went to see Milton Friedman, father of monetarism, and told him that his theory was wrong because in Argentina they had done everything it suggested and the result had been disastrous. This economist succinctly explained to them that his theory was not wrong, that there were good and bad economists, and that possibly in our country, that

theory administered by bad economists had such results (diagnosis: transculturation)

It's important to note that both economic and social theories and policies are neither good nor bad; what's right or wrong depends on how they're applied. To achieve this, it's essential to have a group of intellectuals and thinkers who can draw from each theory the functional aspects of the well-being of the society to which they belong. When this doesn't happen, and it's assumed that creating a new space requires completely destroying the old one, huge waste and economic risks result.

An example of this: when my father fell ill with cancer, I took over his company and the opportunity to manufacture wooden hangers arose. So, I asked a local equipment company for a quote on a factory for this purpose. The company's employee asked me what the cutting speed of my raw material was (each wood, depending on its specific weight and resins, allows a certain feed rate, and each tool, depending on its hardness and angles, has a cutting speed). Thanks to this question, a moment clicked in my head, and I was able to move from universal (unprocessed) knowledge to structured (processed) knowledge. I realized that to build the hanger factory, I didn't need to import machines; the machines I could get would simply need to correctly adjust the feed rate of the wood and the cutting speed of the tools. So much so that I restored a 1910 machine I already had, fitted it with an electronic speed variator and a separate motor, removed the spindles, bought carbide-tipped cutters (the most modern at the time), increased the speed to 12,000 rpm, and managed to build a machine with a productivity close to 90% of a current machine at a cost equivalent to 10% of a new one. This was due to a clear conceptualization. It's interesting to see the different actors and their respective behaviors. The hanger factory that the equipment company wanted to sell me had a budget close to a million dollars; it's obvious they weren't happy with me resolving the issue with 10% of that money. Given the market's timing, if I had had a demanding market for which I needed to start production as soon as possible, buying the factory turnkey would have been an appropriate solution. The reality was that I had an uncertain market, with an unknown volume, so approaching the issue with my strategy was logical and pertinent. I couldn't find any professionals in the field who could explain this to me in a timely manner. The country had invested money and time in training doctors in forestry, but they couldn't decode their knowledge, which had emerged in the developing world—that is, take the most appropriate elements for subsequent application in our country. Possibly in Europe or the United States, recycling the machine as I did would be more expensive, or perhaps safety regulations wouldn't have allowed me to start up a machine with such characteristics. But we're not in those places; the man-hours of a lathe operator or a welder

Argentina is much more economical.

I believe that the intellectual goal of our thinkers should be to work daily to achieve understanding of the knowledge of the first world while simultaneously adapting it to our reality in the most economical and painless way.

Measurements

Introduction

Just as in medicine, a patient's temperature is taken, blood tests are performed, X-rays are performed, CT scans are performed, etc., all of which allow us to arrive at a diagnosis and subsequent treatment, it is essential that we understand that economic policies, economic theories, and people are neither bad nor good. What is bad or good are the results. In other words, to be able to take care of a growth and development process, we must establish measurements, and we must know that when these are successful, the probability of our growth and development lasting over time is greater.

Based on the above, we faced the problem of what we should measure. As we explained, we consider two factors determining growth: social mandate and critical mass. As we said, critical mass is the minimum number of people who guarantee the care and sustainability of the system. If this number is not reached, there is no possibility of the mandate being sustained. And regarding mandates, as we said, there can be different mandates, and the existence of one already regulates the system and gives it some possibility of growth. But our logic allowed us to observe that material societies end up being strongly consistent with the overall wealth of their countries. We then turned to the definition of economics (the management of scarce resources to satisfy human needs). Expanding this concept, we say that wealth is the sum of resources plus the capacity for transformation, which is intangible (and increasingly less so). This is reflected in patents, intellectual property rights, etc. We approach satisfying human needs from a material perspective (material desires) and an intangible perspective (immaterial desires). As you can see, we've added some intangible aspects to the definition of economics, but not all that much. Taking our broad concept of wealth, we believe it's essential to understand the evolution of a country or society and its actions by measuring overall wealth, which is a fairly absolute term; measuring operational wealth; and measuring resources per job, which is related to the capacity to transform.

tion; by measuring revenue per employee and resources per job, we can draw important conclusions about the benefits of the economic activities we are developing. I want to point out that economic activities are restricted by the population that must carry them out. Possibly, those resources invested in a population with better health, education, etc., could yield more interesting results, but the path must begin with the people we have. Unfortunately, we don't have a globalization of people. This means that it's very difficult for people with high levels of training to migrate to pre-material countries with the will of the pioneers. Furthermore, if they did, they would need a volume (critical mass) that allows them to work with codes and standards similar to those of their country of origin. This would also be very difficult for pre-material countries to accept. Therefore, all we have left to do is generate transformation with what we have, nurturing and developing the best we have so that it progresses, matures, and creates a fabric that includes the critical mass to ensure the coherent and harmonious behavior of these societies.

We propose global wealth as a paradigm, which is the sum of the wealth of individuals, companies, and the state. We define total wealth as consumable stocks, available stocks, usable stocks, plus transformation capacity. Measuring this monthly and drawing any conclusions is likely to be quite complex. That's why we propose measuring operational wealth, which is based on available stocks plus transformation capacity. Available stocks can be measured, and the capacity to transform them into higher-value products is measured in pesos per kilo and volume. For example, Microsoft has the highest peso-per-kilo ratio, selling for \$1,000 for a 20-gram CD. And the main resource that Argentina sells (commodities) ranges from \$0.30 per kilo to \$1 per kilo (in the case of meat). As is obvious, it takes three tons of grain to buy a Windows Office program. In this case, to have the same transformation capacity as Windows, you have to have a productivity three thousand times greater in volume. A Windows unit is considered a kilo: the box, the manuals, the CD, etc. And since in a short period of time there are variations that tend to zero (for example: the difference between moment 1 and 2 of fixed assets is not significant), then it equals 0; the difference between moment 1 and 2 of consumables also tends to 0 because consumption habits do not change dramatically in a short period. Therefore, we propose controlling, in short periods, the operating wealth of individuals, companies, and the State. This is equal to available stocks plus the transformation capacity. And we measure the latter in terms of dollars per kilo of exported products by their volume. We can say, for example, that a large part of the boom our country is experiencing is due to the revaluation of commodities and the increase in volume brought about by the technological incorporation of herbicides, fertilizers, and se-

transgenic miles and the direct sowing system developed by us.

Here we're also going to control for transformation capacity. And in the case of companies, we're going to calculate resources per job. Note that this doesn't take into account whether they owe, whether it's working capital, whether it's equity, etc. The only thing of interest is the ratio of total assets to jobs. Productivity is strongly related to this value. In the case of employees, what we have to evaluate are the pesos per hour, which are strictly related to their talent, training, and productivity. People who invoice are considered companies. And in the case of the State, transformation capacity is considered a function of the transformation capacity of people and companies. If we have better infrastructure and services, this will be reflected in the company's transformation capacity, both in volume and quality, and if we have better education and healthcare, our human resources will also be reflected in their hourly income.

Another parameter is the number of jobs in research and development, in industry, in services, the number of unemployed, and we can continue adding for all the parameters we consider.

We have proposed a reflection on GDP and its calculation in the Reflections chapter. And in conclusion, we consider that the entire development of this methodology is based on the background of material societies with high levels of technological development. The discussion evident in the works presented also takes into account the perspective of these societies. That is why we seek the foundations of the economy and, from there, propose some measurements that allow us to preserve its essence, taking into account the human and resource limitations that each society faces. In the example of Malawi, the material world did not provide a theoretical framework that takes into account the limitations of that society. And note that the decisions taken ended up improving its overall wealth.

Chapter 4

What is necessary for existence
of growth and development?

What is necessary for growth and development?

Growth and development are a function of existing resources, plus their management, plus their allocation. The result of this equation can be growth, stagnation, or regression. How do we frame this equation so that its result is growth and development? Here we propose the existence of two terms: one we call social mandate and the other we call critical mass. The social mandate will assist in the correct allocation of resources, and critical mass is associated with management and the correct and coherent allocation of resources.

In principle, for both growth and development to exist, two things are necessary: a social mandate and a critical mass of people aligned with that social mandate. As explained in the introduction, countries have different mandates. The United States, we assume, has a mandate to protect its way of life (freedom, self-defense, excessive consumption, a preference for material goods, innovation as the cornerstone of wealth), and this doesn't take into account, for example, the fuel consumption this entails or the global cost of maintaining their lifestyle. The French also feel it's necessary to protect the way they live. One day, a friend who works at the World Bank invited a French specialist in technology transfer to give a talk. On that occasion, I asked the expert if it wouldn't be in France's best interest as a country to buy our food while selling us technology, instead of subsidizing its agricultural production. Undergoing a transformation in which he went from a rational to an impulsive state, he replied that the production of cheeses, wines, and other foods made by their agricultural society were part of their way of life and that they weren't going to delegate such an important matter to us. Japan is convinced it is a poor nation. So they wield a mandate based on being extremely rigorous in the management of their resources. An example of this is how Japanese workers handle strikes. There, production doesn't stop and resources are lost; rather, the production line is unbalanced, causing countless inconveniences for those in charge of the factory. The capacity for transformation is not affected by this mode of protest. Without a doubt, the comparison between the existence of a mandate in prosperous societies versus the lack of mandates in pre-material societies deserves to be addressed in depth with thorough research.

This book uses as its hypothesis the idea that in prematerial societies the social mandate is headless or anarchic, resulting in a very loose interpretation of it. For example, one example of the lack of social mandate is the relationship established between supermarkets and

ted and SMEs. This relationship is asymmetrical. If one considers that in a capitalist society, companies can focus solely on profitability, it is logical to assume that the supermarket owner explains his commercial strategy with this argument and the need to achieve profitability. Due to the lack of strength in commercial negotiations with supermarkets of small suppliers, it is to be expected that with such a relationship, these suppliers will end up with serious solvency problems and, therefore, survival problems. This position is certainly fine for the supermarket owner, but it could cost other economic sectors the disappearance, with the loss of technologies, knowledge, capabilities, etc. (cannibalism). This is not taken into account in the supermarket owner's equation, and it produces a measurable social cost. Here arises the problem between individual rights (business) and social rights (common good).

Social mandate

Thus, what gives the system consistency is the mandate. This may not have a legal framework within which it can be executed, but it does have a social judgment that could be clearly felt. For this to happen, it is essential that those who do not operate resources (intellectuals, professors, journalists, thinkers) generate points of view and values in society that curb, in this case, cannibalism or intellectual dishonesty.

Global wealth

The content proposed to societies lacking a mandate is global wealth. What is global wealth? It is the wealth of people, businesses, and the state. Why is this mandate chosen? Because in a pre-material society, resources are needed, and in a prosperous society, the result of the work of all social actors is an increase in the supply of resources. Furthermore, the concept of wealth is understood by people, businesses, and governments. No one, no matter how perverse, can afford to express their desire for another to become impoverished. Therefore, if negotiations are rational and the modeling of the gains and losses of each sector is clearly explained, the entire society is obliged to find a path in which everyone wins. In effective negotiation exercises, there is a case in which everyone gives in, and that is the only possibility for everyone to win. Because if everyone staunchly defends their advantage, the project becomes unviable, and then everyone loses. In short, global wealth brings together all social actors, forcing them to find a solution to the problem of how each one can get ahead without harming others.

This is the situation where resources such as creativity, innovation, and knowledge must be utilized. This path is certainly more complicated, but it brings much better results to the social issue.

What is wealth?

Now, what is wealth? Wealth is defined as the sum of available resources plus usable resources plus the capacity for transformation one possesses.

Available resources. Let's imagine a person consumes one leg of ham per month but has four in stock. Then, the available resources are three, and the usable resources are one. If they decide to use that ham to mix with arugula and tomato, thus making a sandwich, they have put the transformation capacity into practice. Because that result will have an added value that, in the end, will translate into a few more legs of ham. This concept of available resources is important to understand, since one cannot use everything one has without it affecting one's operational needs. If one has to spend an entire day in the desert and consumes three liters of water, the available resources one now possesses are zero. The water one drinks would be usable (because it is being used) and not available.

Usable resources. Let's imagine a company located on valuable land with very expensive machinery. Are these resources available or usable? They are available when the company ceases to operate and its land and machinery can be sold; otherwise, they are usable resources (while they are in use, they cannot be disposed of). Therefore, usable resources are those that do not affect the company's function (production in a factory and life development in a person). If these types of resources are lacking, it is impossible to live or produce.

Transformation capacity. Let's imagine you have gold and you're a jeweler (a very good craftsman). You take that raw material and transform it into a necklace, a ring, etc. That new product is worth more than the gold it contains because it contains talent (knowledge, creativity, or whatever you want to call it). So, the transformation capacity is precisely what allows a raw material, when combined with someone's skill, to result in greater value.

The above is based on talent. However, there is a close correlation between resources per job and transformation capacity. This means that the greater the amount of resources per job, the greater the transformation capacity in terms of quantity and quality. A rule that holds true is that products with low value density and high production volume have extremely high levels of investment per job.

What is quantity?

Quantity is the capacity to offer kilos or units of a given product. Generally, this is related to the resources per job position. For example, a silo company, an oil company, or a consumer goods company, where generating volume requires resources in logistics, automation, etc., that allow them to achieve these goals.

What does the quantity depend on?

It depends on the usable resources per job. This means that to have a high capacity to supply products, it is inevitable to have a significant amount of goods associated with the activity. These goods, which are essential to carry out the activity, are called usable, since we are using them. On the other hand, those whose sale does not affect our normal operations are available.

What is value density?

Value density is a measure we propose to separate ourselves from the product or object and assess its value per unit. For example: a ton of soybeans is worth four hundred dollars, a ton of jumbo jets is worth one million dollars, a ton of computer programs is worth forty million dollars. As we can see, the richest person in the world is closely related to wealth density. In the first example we presented, we are talking about a low-value product; therefore, if we want to have a significant business, we must process or handle extremely high volumes of this good. And this implies a high amount of resources per job (trains, ports, trucks, ships, silos, etc.). In contrast, processing tons of jumbo jets also requires a high concentration of resources per job, but unlike the previous examples, all these resources are used to transform the raw material (aluminum) into an object of excellence (airplane). Furthermore, the transformation process involves a very high percentage of intangibles such as engineering, processes, etc.

In the third example, the entire transformation capacity is related to the talent of the programmers and the product to be developed, and we could say that the resources per job position are focused on training people rather than improving processes.

What does value density depend on?

I can say that value density is a function of usable resources plus intangible resources (talent, knowledge, etc.). The more of these we have, the greater the value density of the final product.

What is operational wealth?

Now it's time for operating wealth. What is operating wealth? Operating wealth equals available resources plus transformation capacity. Why do we talk about operating wealth? Because this term can describe the tangible and intangible reserves a given company has. This provides a clear view of each company's solvency and how it evolves over time.

Operational wealth

We define global wealth as the sum of the wealth of individuals, the wealth of corporations, and the wealth of the state. In contrast, total wealth is made up of the sum of consumable stocks, disposable stocks, usable stocks, and transformation capacity. Suppose total wealth is measured at time 1 and then at time 2. We subtract wealth 2 from wealth 1, which gives us total wealth 2 minus total wealth 1 equals consumable stock 2 minus consumable stock 1 plus disposable stocks 2 minus available stocks 1. This plus usable stocks 2 minus usable stocks 1 plus transformation capacity 2 minus transformation capacity 1.

Let's analyze each of the above terms and see what happens to them over time. Consumable stocks reflect people's consumption habits, the consumption habits of companies, and the habits of the state. Unless there is a structural crisis, people's consumption habits change very little. Those of companies and the state are strongly associated with technological and infrastructural changes; therefore, they also undergo very little change in short periods of time. It can be argued that the variation over time of consumable stocks is zero in the short term.

Usable stocks behave similarly to consumable stocks. For example: A house is a usable good for a person and does not change dramatically from one year to the next. The same is true of factories and production assets. Therefore, usable assets are also considered to have a variation tending toward zero over a short period of time. What we can guarantee is that in that same period, available resources and transformation capacity can undergo significant variations. For this reason, we call operating wealth the sum of available stocks plus transformation capacity, allowing us to measure the evolution of both.

tion of economic policy in the short term. Given this situation, in the face of a crisis, both components are the first to be attacked. For example: I have to pay a bill and I have to figure out where to get the money if there's no more credit. First, I try to sell the available stock to pay the debt without affecting my operations. But things continue to go wrong. So, I decide to close my factory and sell the land. The loss of this usable resource affects my overall wealth because the asset has passed from my ownership to someone else. If I sell that part of the company to someone to build a country club, the asset continues to exist in global terms but no longer within the sector's transformation capacity. At this point, it's important to note that transformation capacity is not taken into account in any national or private balance sheet; therefore, it becomes an attackable resource that is only reflected in unemployment and the decline in wealth density. Here, a very interesting cross-cultural argument arises that maintains that the world belongs to services. What we need to consider is how many of these services are dependent on production and technological development. If they are only intended to feed a parasitic human component, the result will be disastrous.

It's also important to remember that transformation capacity is measured as the density of value per unit. For example, pesos per kilo. A kilo of car costs ten dollars, a kilo of airplane costs a thousand dollars. It's not the same thing to be able to produce, with the same number of kilos, objects whose sales price is equivalent to that difference in value. Generally, the world and prosperous societies produce objects with high added value.

Talent

Everyone has or relies on some line of action, thought, or creativity that surely distinguishes them from others. It always remains a mystery why, when two people with the same training and resources, one finds paths that surprise with their originality or creativity, while the other doesn't. There are many types of talents. There's the talent to discover talents; there's the talent to use them; there's the talent to develop them; etc. The secret is knowing that in any activity we do, we're going to rely on people. In many societies, this dependence on talent is minimized. If talent is in the hands of an inept person, they'll likely use their attributes to subjugate or impose conditions on the other party. I won't deny that this may be true, but I want to clarify that the foundation of business, of social construction, must be trust between human beings. And that they will behave in the best possible way. When confusion, pettiness, and self-respect arise, institutions must appear, along with justice and regulations that put a stop to the confusion. But, gentlemen, we all need

We need everyone's talents. And in a society where we all understand premateriality, these tensions will be minimized. There are countless cases of immensely talented people whose opportunities for growth were diminished due to the conflicts of their personalities. There are also immensely talented people who, due to their economic and human poverty, also find their opportunities for expression stifled. I want to give some examples of talents and different types of them. All are valid and necessary for building a society. Once, at a board meeting of a toothpaste factory, the directors stated that they needed a 10% increase in sales. Everyone looked at each other, and some outlined plans for advertising, market research, etc. One of the company's employees, a junior employee, timidly raises his hand and suggests increasing the diameter of the toothpaste dispenser by a few tenths of a percent, given that the increase would allow more toothpaste to be deposited on the toothbrush, and a 10% increase in the toothpaste reservoir wouldn't be noticed by customers. Consequently, the toothpaste bottle would last 10% less. This is one type of talent. A man who gets up every day at five in the morning and runs his bakery, taking care of every penny and making it profitable is also talented because he provides a service to society, maintains a source of employment, and achieves a quality of life for himself and his family. If the same individual, in turn, is driven to produce excellent food and this is recognized by the market, and thanks to this recognition, he can expand to other neighborhoods or countries, so much the better. So, from these examples, we can deduce that the important thing is to find the attributes through which people can express these positive uniqueness, and society can take advantage of them. It's possible that these people don't know their potential or don't believe that what's good is what they have and what they know how to do well. And they try to pursue other activities that are socially well-regarded but for which they lack the necessary attributes. It's essential that schools and universities develop technology to help us find the space where everyone feels comfortable and is efficient. And there are examples that recognizing our limitations doesn't imply a limitation on economic development. For example: a man was a partner with his brothers in a very important metalworking company. He handled the production side and dealt with the workers. He recounts how he suffered greatly from all the problems faced by those two or three hundred workers in the pre-material stage, who presented him with problems with health, housing, education, etc. Aware that such a connection with reality was beyond his tolerance, he told his brothers he wanted to leave the company. The brothers repay him in various ways, including real estate development. Today, the individual in question is the richest member of the family and found in this path the opportunity to express himself and continue to generate new real estate ventures. As we can see, he respected his limitations and found an area of activity that he did well and that

In turn, he compensated him financially. It's important for people to accept their limitations, and their great challenge, based on this reality, is to prevent them from limiting their development possibilities.

It's fascinating to see how human beings can comfortably navigate places where one would succumb, and how one can comfortably navigate places where others would succumb. This uniqueness of each individual is what a good system should take advantage of. And I believe that institutions should be based on the possibility of harnessing these capabilities. When the United States entered World War II and needed an all-terrain vehicle, it invited four entrepreneurs to develop it, and one of them had the best proposal. There weren't eight million people proposing an all-terrain vehicle. I believe that when institutions try to generate plurality where it doesn't exist (because in many cases they have to comply with the formalities of three budgets or can't align resources in monopolistic situations), we are prioritizing form over content. What must be clear is that supporting talent must be decoded into an improvement for society. This means better products, better jobs, new economic possibilities. Talent should never be an attribute that holds others hostage. Because this situation brings out the worst in everyone. I think that in many cases, fear of this situation leads to the wrong measures or decisions. As a general rule, it's best to start connecting with people based on trust, and experience shows that in 95% of cases, the strategy is successful. And we must accept that those 5% can't change our attitude toward people. A relationship based on mistrust is tortuous, annoying, and generally unproductive.

By chance, the author happened to be involved with a community soup kitchen. These non-governmental organizations emerged as a dam to contain the 2001 crisis. They received contributions from the municipality, then received Work Plans, and then received money to start some micro-enterprises. Their leaders believed that simply containing the social problem was enough, and they never bothered to identify the most talented and productive people in their community, so they could, through them, generate unique talents that would allow them to compete and remain in the market. This lack of vision of global wealth based on talent, now that the country is prosperous and in demand for jobs, is leading to a fragile survival. Despite having received significant financial support, they were unable to discover and develop the talents within their social group that would allow them to genuinely endure over time. Possibly, in the minds of the officials of this organization, the fact of having to distinguish one of the members socially and economically by their talent generates a situation of greater conflict with the rest and is more difficult to manage. Here, instead of raising the problem and finding a solution, the easiest way was chosen, it was

Justified with strategic social thinking, mediocrity triumphed. As a result, the people who participated in this project may lose the opportunity to sustain themselves and develop, thus achieving the opposite of the desired effect.

Commandment

One of the problems faced when the question of why some prosperous groups exist and others not so prosperous was finding the common factor that defines these prosperous groups. As explained elsewhere in the book, some think that prosperity has to do with religion, culture, institutionalization, etc. But as we've already said, each of these hypotheses has situations and examples that contradict them. Seeing that a hypothesis that fit this common factor couldn't be found, we decided to use a framework in which a hypothesis is put into play and the behaviors of prosperous groups are examined, and whether they are consistent with the proposed hypothesis. For example: it can be said that free trade leads to prosperity. And we can say that Japan and Europe do not meet this parameter and are prosperous. We can say that democracy leads to prosperity, and we can give as examples the Stalinist, Mussolini, and Hitler periods, which generated unprecedented situations of prosperity. And we can continue testing different hypotheses. We found a hypothesis: global wealth. And if we put this commandment into perspective, we see that the behaviors of prosperous societies or those with high growth standards are more or less consistent with this hypothesis. Some prioritize maximizing the increase in global wealth, and others less so, but all move in the direction of global wealth. An important detail to keep in mind is that our definition of wealth includes an intangible element: the capacity for transformation. And this includes technology, knowledge, health, education, etc. Many of the solutions to increasing global wealth are based on increasing this intangible element. Curiously, in these prosperous societies, the issue of wealth is rarely made explicit in the relationship between social actors. But despite this, it is nurtured and managed. That's why we gave it an almost religious connotation of a commandment. It's something that in prosperous societies isn't made explicit, but it is nurtured and managed. The curious thing about this reasoning has to do with mathematical logic, where one defines a group and its attributes, then attempts to demonstrate whether it holds true. We find in global wealth an attribute that holds true in the results of the management of developed countries. But we couldn't discover why these societies managed to agree on these lines of action. We confront this mystery by explaining our content (global wealth), pedagogy, and the mystique of a non-negotiable value, which we call a commandment. I believe

That this coherent behavior is achieved through the most varied and mysterious paths. I believe that global wealth is a valid content until society reaches materiality. Afterward, in post-material stages, the commandment would have to be adjusted. Where satisfaction is more focused on one's balance with the environment, on the satisfaction that comes from choosing and being happy with what one chooses, on the peace that comes from knowing what one needs and being happy to obtain it. As we can see, the commandment comes to fill that space in which rational and universal arguments cannot be found to explain these behaviors.

What are resources?

Getting off topic, to clarify, it's important to be clear that resources are the sum of goods and services.

Classification of resources

The former can be classified as consumables, disposable, usable, natural, and human, as already mentioned. Services include education, healthcare, transportation, etc.

What is the capacity for transformation?

It can be defined as the difference in value between what one has and the result of applying to those resources elements such as knowledge, creativity, talent, technology, investment per job, etc. It can be affected quantitatively and qualitatively. For example, one may own a cement factory that produces 100 kilos per day. Then an investment is made, and the production increases to 1,000 kilos per day. The transformation capacity has increased quantitatively. For another example, one owns a cement factory that produces 100 kilos per day and sells them for one peso. The process is improved, higher quality is achieved, and a product is obtained whose physical properties can be sold for two pesos because of its qualitative improvement. It can still be argued that the quantitative transformation capacity is a function of the resources per job, reaching in some cases resource densities on the order of a million dollars per employee.

In reality, the capacity for qualitative transformation is a function of resources per job plus talent. The latter includes education, healthcare, etc.

Why do we talk about wealth and not resources?

According to our definition, wealth is composed of two terms, one

related to resources, and the other to intangibles. Therefore, in today's world, it's not enough to simply have sufficient resources, but also an adequate capacity to transform them. The latter is directly associated with education, health, and talent. For example, Japan is poor because it only has the capacity to transform. In contrast, the United States has both the capacity to transform and available stock.

It's possible to know how much is spent on education, but it's extremely difficult to measure how much of that effort has been absorbed by the recipients. The same goes for talent; it's a good that emerges through action. On the other hand, health is an intangible asset. Why? Naturally, we think of oneself as healthy, not that if one gets sick, one becomes someone who only consumes but doesn't produce. Given this, we conclude that health is an intangible asset that, when lost, becomes very costly, as long as society takes responsibility for the illness of others. A cheap way to solve the problem is to perceive it as disposable; then the cost of caring for it isn't paid. This latter perception can only exist in a society where the capacity for transformation is almost zero, and therefore, the other has no significant value.

It has been accepted that prematerial societies lack a social mandate that allows them to constructively resolve conflicts among their actors. It has also been mentioned that we propose that the content of this mandate must be global wealth. So the question now arises: how to disseminate and internalize this mandate in an anarchic or disjointed society.

With whom?

In my work history, I've seen examples in companies or even in the state itself where management planned the correct course, but the ship ended up going in another direction. Seeing this, I wondered how it was that the captain couldn't get the ship to its intended destination. After much reflection on these situations, my conclusion is that for management to achieve a one-to-one relationship between its course and action, it's essential that all personnel be aligned—in the case of the captain, the first officer, the helmsman, and the engineer. Then the ship will head in the predetermined direction. These four individuals would be the critical mass because they are the minimum number of people who make it possible to carry out the boss's order. The same thing happens in corporate or government administrations. This is where a possibility arises that complicates the whole argument. Unless the country is governed by a dictator, there will be conflicting interests, differing opinions, and diverse points of view. To resolve this situation, something more than the captain's order and his small, present critical mass will be necessary. A principle can be drawn from this: the more despotic the system, the less critical mass it requires.

Returning to what was explained earlier, to resolve this complex situation, a social mandate is needed to unite and ultimately set the course naturally. Around this mandate, a critical mass of people will be needed to allocate resources and manage them according to their stated objective (increasing global wealth).

How is critical mass estimated?

If we look at a country's organizational chart, we can see that managerial or leadership positions are very few (they'll be on the order of a thousand in a country like Argentina), and that for the decisions made in these positions to end up being applied in the relevant places, it's essential that the line of command shares the principles, values, and mandates of management. Thus, given a decision-making pyramid, we have a director in charge of forty people, who in turn give directives to bosses and managers. Therefore, if we extrapolate this to Argentina and consider that a thousand management positions are necessary, then forty thousand people must be aligned with their respective directors. Adding as a fundamental point is the fact that at least three hundred thousand entrepreneurs must be informed of the mandate. With this critical mass, it's possible to achieve growth and development parameters.

How is it detected?

In our teaching experience, we've used exercises in which it's very interesting to see how people with leadership skills align themselves once they understand the mandate. (Exercises from entrepreneurship classes.)

The screening strategy consists of training the public sector first. In this training, given the type of pedagogical methodology we will use, we will be able to identify the human resources we have. Possibly the same scope to fill all government positions. If not, we will supplement them with people trained outside the government. In addition, we will implement an outreach strategy in the Chambers of Deputies and Senators, in non-governmental institutions, and in companies. In this way, we will attempt to generate a common language that allows for communication despite the daily tensions between the different social actors.

How is it trained?

First, there are some dissemination talks, based on which the students will be classified as behaviorists and structuralists. Based on

tion of this, they will receive different types of training depending on the group of origin. The idea is to carry out landings by department, by area, by sector in a planned manner, resulting in a signature line aligned with management, which in turn aligns with the mandate.

How is it spread?

Dissemination will begin by identifying those we will call "apostles" in the first talks. They are people with teaching skills who embrace the mandate with passion. Therefore, each one will generate a pyramid whose base will grow to encompass the entire society.

How is it controlled?

It is recommended to create a board that serves as a reference for officials and business leaders. There, social stakeholders can come to discuss ideas that align with the mandate and improve their position.

Reflections

Editorial Croquis 2009

Editorial Croquis 2009

From the material to the postmaterial

Chatting with my friend Pablo Tarasiuk about these topics, and his practical thinking and cellular understanding of richness, allowed me to see why the migration from materiality to postmateriality would occur. In this topic, we're going to talk about the future and approach it as a set theory, where each future scenario generates a possible intersection with our universe.

The hypothesis outlined is that in pre-material and material societies, there is a systemic cost to managing growth. This means that all actors waste a significant amount of resources trying to increase their share of global wealth without aligning themselves with growth, and the state must allocate a significant amount of resources to encourage them to reflect, so that their efforts are oriented toward growth and the common good. For example, in Argentina, during the summer, electricity use is not advanced to minimize electricity consumption. This decision favors electricity distribution companies. But in macro terms, it increases the consumption of fossil fuels, which are used by thermal power plants, and this has been happening for several years. Today, as we find ourselves in an energy crisis, the government will surely take the appropriate measures. As we can see in this example, there are thousands of hours of thermal generation, with their corresponding consumption of fossil fuels, that we have wasted by not taking this measure and promoting the profitability of that sector. This has had a cost for society. In a postmaterial world, this waste would be viewed socially as unfavorable, and no one, neither business nor government, would even consider allowing it. There will come a time when the costs of managing these tensions exceed the cost of social change. At that point, the system will begin to work in an organized way to generate the contents of postmateriality.

Another interesting point is that post-materiality will lead to a decrease in resource consumption. People will no longer consume what they have to consume due to their social status, but rather what their genuine and authentic needs demand. This will likely result in a lower impact on resource consumption.

An important theme in the transition from materiality to postmateriality is energy. The developed world is working on nuclear fusion, a machine that, if fully developed, will offer humanity infinite energy. If this happens, the limits of the materiality of the world's populations will only be determined by the pettiness of the societies that manage this technology. I believe one scenario in this situation is the revaluation of the natural and singular, leaving the synthetic and automatic for premateriality. These costs, which we define as possible triggers for the transition from materiality to postmateriality, may be elevated by an increase in raw materials or by a shortage of them, or because the structural cost of resources

human and material resources to fight against cannibalism, intellectual dishonesty and corruption is of such magnitude that it forces a rethinking of these values, thus bringing about change.

Another factor that will force us to shift from the material to the post-material is the phenomenon of longevity. This phenomenon entails two costs: one is health (chemical longevity) and the other is retirement, which, as life expectancy increases, significantly increases the retired population. I postulate that post-materiality should improve people's quality of life in such a way as to reduce health costs and prolong people's active life, reducing two social costs that may eventually become unsustainable. And justifying the change.

When postmateriality?

Postmateriality focuses on people's quality of life. And at this stage, businesses and the state align on this goal. Since it's very difficult to define people's quality of life, and I also believe that biodiversity is fundamental to any system, what closed the proposal for us was the immune system. It's known that when people are truly balanced, all the parameters of the immune system are also balanced, and therefore the likelihood of illness is lower. The other parameter to take into account is longevity and its quality. A postmaterial society would have to work to ensure that each and every one of its inhabitants finds the combination of activities that allows them to express their best immune ratios. And at the same time, they are happy with that mix of activities. This is the academic challenge that material societies would have to face. You may wonder why I raise this problem, which we are so far removed from. In sailing, you know where you're starting from and have an idea of where you want to go. And this journey is affected by the wind and the current. Sometimes these two factors oppose the direction we want to go, sometimes they overlap, etc. But we always face the constraint that we cannot sail against the wind. So, by analyzing these factors, we choose the course that brings us closest to our destination. The same should apply to a society's growth and development strategies. But to define the course that brings us closest, it is essential to know where we are going. That's why it's important to define a guiding principle, which in our case is postmateriality.

When will postmateriality prevail?

In material countries, there is a phenomenon of longevity based primarily on the development of medicine, both in diagnosis and treatment. But this longevity strategy based on these

The use of resources brings collateral consequences that are reflected in the costs of old age. One way to reduce these costs is to embrace a post-material society where allopathic medicine is a last resort. All its contraindications are reflected over time. And in this way, costs are minimized.

Common language

In societies, there are three actors, and they must be able to resolve their conflicts and tensions without violence. To do so, they must communicate (one of the fuels of violence is a lack of communication). Carrying out this activity means that when a word or phrase is mentioned, the recipient will understand it. In electronics, it could be said that the same protocol and memory are shared.

On the other hand, language socially conditions the way we see the world. For all these reasons, this book has generated several terms, each of which has been given meaning and a dimension of use. This task is intended to serve as a basis for discussion and collaborative development. For example: What is progress? Is it an increase in per capita income? Is it an increase in wages? Is it an increase in credit? All of these situations can lead to prosperity. For example: during both the Martínez de Hoz and Menem eras, the country became brutally indebted, and this inflow of foreign currency helped build a sense of well-being because a high percentage of it was consumed (the sewer effect) and a very small percentage was invested in generating new ventures or capital goods.

The per capita income index is calculated as GDP divided by population. Now, let's suppose there are twenty companies and one hundred individuals who manage and control 80% of GDP. An increase in GDP will surely mean a very large increase in income for the group that manages those resources, but it will go unnoticed by the rest of the population. In this case, there is prosperity for a few, but there is a tendency to think it is shared by all.

Suppose a very strong union achieves a significant wage increase without any productivity compensation. The entrepreneur who, due to market conditions, was continuing his business despite that wage will find his company unviable if the international price of his product falls. These prosperous employees will then become unemployed. Within our model, the union must align itself with and help the entrepreneur achieve international productivity, as this requires resources, technology, and financing. This path is what will allow union management to be genuine and solid.

If we all understand that prosperity cannot come to some at the expense of others and that what exists (even if it does not belong to one) is part of the strategic resources to solve everyone's problem, a framework begins to exist.

social that takes care of the public and the private since the sum of these contributes to the well-being of all.

It is for the reasons detailed here that communication, both words and phrases, must have the same meaning for the entire society and must generate the same commitment in all actors.

Reconceptualize

In Spanish ***wealth*** it is defined as an abundance or large amount of goods, money, or valuables. If we accept that language conditions people's way of seeing the world and keep the previous definition in mind, imagine if all Argentinians could be rich; these citizens would accumulate a large amount of goods, objects, and money. But who is going to produce clothes, shoes, or food? Someone might answer that no one; they can simply go out and buy them. I would counter that if nothing is produced and only consumed, poverty will one day come knocking in that society.

Given this situation, we see that it is everyone's responsibility to reconceptualize the word wealth, adding to the term the idea of social responsibility, education, health, and the capacity for transformation, which are inevitably associated with talent and creativity.

Being rich not only means having the ability to consume more goods, but also the obligation to generate possibilities and opportunities.

Someone once explained that every right generates an obligation. That's why I believe it's necessary to reconceptualize many terms and give them the necessary dimension so that our language can be consistent and shared by all.

Returning to the term ***wealth*** in English there are two terms: one associated with the Latin concept of wealth (richness) and another with the capacity for transformation, the freedom to do and create (wealth).

As an implementation strategy, building on the work of Sapir and Whorf, and giving equal importance to language in relation to social behavior, we believe that reconceptualizing words to generate a common language and interpretation is the fastest way to produce systemic change.

In this book we have generated a number of terms (interface point, pre-material, material, post-material, wealth, transculturation, critical mass, behavioral behavior, structuralist behavior, economic diseases: anthropophagy, intellectual dishonesty and corruption, global wealth, disposable wealth, usable wealth, operational wealth, consumable wealth, transformative capacity) that must be incorporated, defined and interpreted in the sense of this work.

Commandment versus organic functioning

When I began writing this book, an attempt was made to compare human society to an organism. And I began writing about the organic functioning of society. From this work, two interesting themes emerged: all living organisms consume energy to live. And I believe this is a valid concept for societies. All living and active societies consume energy to develop. And I found that when social actors are classified as individuals, businesses, and government, we find that they are three organisms, not one. Here, a theoretical framework was lacking for these three organisms to behave functionally within a larger organism that contained them. Furthermore, these three organisms had the possibility of adopting strategies that were functional to their individual growth and threatened the whole. In an attempt to resolve this conflict, the idea of the commandment emerged. This is a concept that, when inserted into each of these organisms, allows them to be harmonized. That is why we abandoned organicism, as this framework was not consistent with development and economic growth. Instead, by imposing the mandate, these organizations were harmonized, and the possibility of coordinating efforts to create a vector of growth and development began to exist.

Argentina: a field of experimentation

Some time ago (August 2007), a political analyst wondered why all the major Argentine business owners sold their companies. And one might wonder why there aren't larger Argentine companies, why we couldn't develop a significant aerospace or shipping industry, why we've had such a high mortality rate among manufacturing companies. In contrast, our neighbor Brazil has grown and developed in all the areas where we have failed. Some justify this by the lack of a market; others by the lack of competitiveness; others by the lack of willingness of our business owners to sell to the world. Many believe that Argentine business owners are corrupt, patronizing, and protectionist, and therefore don't deserve any support. And the truth is that the country has very few domestically owned companies and a very low-density industrial network. What happened to the industrial sector suffering such disrepute? I suppose that, like all societies, there must be a bit of everything in this sector. From corrupt individuals to innovators, and everything in between. I think that the political sector that held power at each moment found it convenient to have a scapegoat and also, as has been said somewhere in the book, industrialists tend to make those in power uncomfortable because knowing all the resources of society allows them to evaluate how they are working, which in turn leads to

The links with the government sector expose all its shortcomings. For example: a sick worker neither produces nor consumes. An ignorant worker has very low productivity standards. An inefficient transportation infrastructure increases costs. A poor supply of electricity, gas, and water affects productivity. A nonexistent financial system undermines the possibility of dreaming of growth. As we can see, health, education, the economy—everything—affects or participates in industrial development. Faced with this reality, two possibilities arise: either we try to see the problems and resolve them as a government, or we disqualify the person who states them. This last strategy is the one that has triumphed and is the one our politicians have used. So much so that today, without a **feedback** industrialists continue to use the same strategy of disqualification in every public discussion with their peers or opponents, thus impeding reflection and the generation of knowledge. The curious thing is that this type of relationship resembles that of two gladiators in a Roman circus, where the entire society is mesmerized, enjoying these discussions. It's striking that we don't hear the voices of intellectuals and journalists clamoring for a deeper understanding of public problems and their alternative solutions, along with their respective costs and benefits.

I believe that those who don't operate economically must be the custodians of the system. That's why if we can impose the mandate of global wealth, we'll move beyond personalized attacks on each other's ideas and start talking about how to improve the growth stew. It would become richer and bigger.

One day I dreamed of the possibility of gathering all the officials—politicians, military personnel, career officials, and those of the last 50 years—at Luna Park and asking them a question: Why are we the way we are? My prejudice tells me this will lead to endless complaints, a dialogue of the deaf from which no conclusions will be drawn. Because the pride of each of their administrations is likely at work, and those whose faces were bombed will have a sea of justifications, and those who armed and set it to detonate will look the other way and talk about how wonderful the days before the explosion were. In this way, and without any social judgment related to the present and the past, these officials will emerge from this convention reinforcing their justifications or reaffirming their supposed successes. But we will not have drawn any conclusions or agreed on even the smallest details. But I am convinced that if each of these members is asked if they want to impoverish society, the answer will be negative. If they agree with the definition of global wealth, it will also be affirmative. So, if we agree on these two concepts, why can't we have a rational discussion about what contributed to global wealth and what didn't? And what path would have maximized this result? This is where the commandment appears again. You may be wondering what all this has to do with national entrepreneurs.

I believe that because society is not aligned with the mandate of global wealth, the entrepreneurial sector becomes a commodity to be used and abused to seize power and remain there. And in some ways, this feeling translates into a sentiment similar to that of a hostage facing a criminal, where anger, helplessness, irrationality, and injustice generate such a wealth of self-discontent that it inevitably translates to one's activity. And one cannot carry out an activity so important to the life of an entrepreneur with such levels of discomfort; one inevitably tends to think that by abandoning the activity, one will regain inner peace. The real struggle and the heroic thing to do is to maintain the stewardship of resources, because the economic rationality of the private sector will be less damaging than the inefficiencies and intellectual dishonesty found in other areas of the economy. Here again, the need for a common content (global wealth) arises, for a genuine appreciation of society by those actors who contribute to global wealth. As is the case in central countries, here there is a link in which these actors enjoy social recognition, and in some cases this is associated with economic recognition, in other cases with an increase in resources to manage, and in others with a mix of both. For example: in an interview with César Milstein (Nobel Prize winner in Biology) for the newspaper La Nación, he said he lives in England. The journalist asked him how much he earns. He explained that he didn't earn much, just enough to live well. That he didn't need more because he had no way to spend it, since he worked from dawn to dusk because he was passionate about his work. But what he did point out and emphasized as a substantial difference between a material country and ours is that if he asks for an electron microscope, no one disputes the need for it, and it is provided as quickly as possible. This is a clear example of how this man's technological contribution to English society is recognized not only socially but also through the availability of resources at his disposal. In the United States, this is also how it works, but if the researcher is aligned with a company in the private or strategic military sector, they may receive a significant salary or income from the funds these companies contribute to their project. In this case, the three recognitions arise. We can extrapolate these examples to industrialists, where they would have to be recognized for a job well done (innovative products, high efficiency in the use of resources, low environmental impact, high productivity, support for the industrial network, high competitiveness index, etc.) and, for meeting many of these attributes, society would have to facilitate their access to capital, aligning state resources to increase and support their line of work (INTI, Ministry of Foreign Affairs, etc.). (Secretary of Industry, etc.) If, on the other hand, this industrialist who does everything right feels persecuted by the DGI, feels persecuted by a Unilateral Labor Law, feels unprotected by a non-existent Customs Office, and is also the victim of a macroeconomic strategy that hits the market and his company like atomic bombs. Possibly when he reaches this con-

Conclusion, the following order of importance arises. In this analysis, we must segment the entrepreneurial universe. A first major segmentation is large companies vs. small companies. Another major segmentation is whether I close my company after labor lawsuits and tax contingencies, what assets remain? Another segmentation is whether the market is monopolistic, oligopolistic, or competitive. And another division is based on resources: whether the company is in the material, pre-material, or post-material stage. Let's then analyze possible combinations. A large company in the material stage, with an oligopolistic or monopolistic market, has market value; it is worth defending it. And in fact, most national companies with this profile were sold for significant sums. A large company in the material stage with an open market generally cyclically encounters serious financial and profitability problems, which makes sales volume attractive, and they are generally sold for liabilities and, hopefully, something more. A large company in the pre-material stage, unless it has a monopoly or oligopolistic situation, will hardly survive the favorable circumstances that allowed it to grow. A medium-sized company in the material stage, in a monopoly or oligopolistic market, has market value and can defend itself. A medium-sized company in the pre-material stage of a competitive market, has almost no chance of survival, leaving the favorable cycle. Short-term sales value in the favorable cycle. As we can see, this entrepreneur, if aware of this situation, abandons ship before consolidating it. A medium-sized company in a material situation and a competitive market has a good chance of survival, but marketing it is very difficult. If they are lucky, they can ally themselves with a strategic partner, and generally they last as long as the will and ability of their leaders and their successors remain. These companies are generally managed by their owners, who know them inside out and manage them carefully. If, unfortunately, the teaching ability of these owners is low and they cannot form a succession that can add their experience to the content of their training, they generally do not last two generations. Typically, these companies are part of the strategic fabric of larger companies, so they squeeze but don't suffocate. This allows them to achieve good levels of resource accumulation and a good income for their owners. It should be noted that these entrepreneurs who meet the standards of large companies, who have good productivity and good costs, have, in very few exceptions, managed to escape this market, these one-to-one relationships, and impose their products in other markets.

Small companies

Small businesses are in a pre-material situation, and if they don't achieve sufficient capitalization during boom times, they end up extremely damaged when crises come. In the examples I give, small and medium-sized businesses, in a material or pre-material situation, which

Once crises have passed, and their officials have seen and experienced the intangible value of these crises (machines they bought for 100 and are worthless during the crisis, investments in technology or processes that are intangible during the crisis are also lost), they develop antibodies that desensitize them to the passion for growth, for doing, for making things work as planned, and for those small successes that resolve the infinite problems that arise along the path of doing, building, and producing. These antibodies emerge from the fight against intellectual dishonesty, corruption, and cannibalism. The fight these entrepreneurs face against all these illnesses leaves them with after-effects that require deep and lengthy rehabilitation, which, given the successive and periodic economic crises we've experienced, has never provided the time for such rehabilitation. Three issues arise here: the availability of rehabilitation time for these people, the technology or knowledge of the treatment to be given, and the willingness of the system to offer and implement these treatments. I believe it is essential that our political and governing class understand that the majority of entrepreneurs who have survived need rehabilitation, and that those new entrepreneurs who were fortunate enough to emerge and grow in some small, favorable situation must be considered as genetic material that will allow, through their example and strength, inoculate and incentivize new entrepreneurs on the path to growth and development. But be careful: they must be valued, they must be discovered, and they must be nurtured, because companies are made by people, countries are made by people, and as happened to Milstein, where talent flourishes, resources must be allocated. I am having a discussion here with many people who suggest that, given the scarcity of resources, we must allocate them where there is comparative advantage. And I believe the only comparative advantage is the people who carry out the projects. Let's imagine a pristine sea filled with the finest fish and a rude and ignorant fisherman; It's possible that you'll fish despite it, but the entire manufacturing, cleaning, packaging, and freezing process won't meet any standards, so your production will either be sold at infinitely lower prices or possibly never be sold at all. Now let's imagine an individual passionate about chocolate who sets up a boutique chocolate shop (the cocoa is imported and the sugar has an international value) and, through talent, care, and passion, develops a product that is in demand around the world. If this entrepreneur shows a desire to grow, which of the two would you help? Obviously, if we have orders from top-tier entrepreneurs, we would face a conflict because we probably wouldn't have enough resources to help both, and this would merit a separate study.

As we can see, the conflict that is generated for the entrepreneur: to follow the path of development, productivity, innovation versus the risks of following it given that these roads are plagued by assailants, situations of impassability due to lack of maintenance and risks of flooding or landslides due to having been poorly laid out, lead in many cases to abandon-

Donating these highways and staying on a familiar path whose territory doesn't offer the uncertainties of these long journeys. This decision may be wise for the entrepreneur, but it doesn't match what a country needs to be built. I believe the metaphor I propose goes beyond the framework of institutionality because it includes a host of technical factors that are as, or equally, important as good institutional management. Now, if we talk about institutionality and include maintenance, quality, strategies, destinations, etc., the term is probably well-used. In this paragraph, we have tried to convey the dramatic adventure of trying to build a company. And that it be global and have multiple markets. This not only requires the entrepreneur's willingness but also the support of society as a whole. When this is not the case, illnesses emerge and end up going one way or another, preventing us from reaching a successful destination.

Explanation of the crises

Our country has tested various economic hypotheses, many of which have been taken to unimaginable extremes, inevitably resulting in structural crises (hyperinflation, trade balance crises, etc.) that have never been fully explained.

During President Menem's time, for example, there was a significant deficit that was covered by public debt. Economists argued that this was the fundamental problem. They failed to mention that if that money had been used to create industries and jobs, the situation would not have been so catastrophic.

The other fundamental issue is that even if the disease is detected early, it is always difficult to determine when the situation will become a crisis. For example: let's suppose my company enters a financial deficit, that is, it pays more than it receives. If the problem is detected early, one then wonders how long this situation can be sustained. If there is a cash deficit, it is covered by the partners, the banks, or a capital market. There is an external limit to obtaining financial resources, and there is also an internal limit: one can tolerate any gap as long as it does not threaten the overall wealth of the company. This means that if the expenses generated by this singularity exceed the difference in available stocks plus the increase in processing capacity for the period, I am entering a danger zone that will have a dramatic outcome in the short term. This same situation can be recreated in the case of individuals and countries. In the specific case of businesses and individuals, if interest plus taxes exceed the change in available stocks and processing capacity for the same period, a crisis is in progress. In national terms, we can say that if interest and obligations exceed the change in available stocks and processing capacity for the same period, a crisis is in progress.

When the debt paid by the government and companies exceeds the increase in global wealth, a crisis arises. Returning to the Menem era, during this period, the National Government covered the cash deficit with bonds that had an internal rate of return of 20%. The total debt was on the order of one hundred and sixty billion dollars that accrued an average of "x" interest. The financial cost of this entire project, at a given moment, began to exceed the differential generated by the system in the same period. To cover this gap, resources had to be subtracted from the different social actors; therefore, pensions were not updated, taxes were increased, public assets were sold, etc. And this pressure applied to the weakest sectors of society led to the bankruptcy of countless small and medium-sized businesses. During that period, our company paid one million two hundred thousand dollars in interest. Before the devaluation, it owed one million two hundred thousand dollars and invested four hundred thousand dollars in machinery and technology to increase its transformation capacity. Therefore, we can affirm that there was a significant transfer of resources from the company to the financial sector, and from the latter to the government. If one could have spoken of global wealth during this period, the concept would have been an excellent argument for steering the deviations toward an administratively viable situation.

The proposed crisis equation is based on the assumption that interest plus the overall taxes paid by the system must be less than the increase in available stocks plus the processing capacity for the period. Let's assume that these interests and taxes end up going to the public sector, which uses them to feed the population. At the end of the period, available stocks decline, and processing capacity, if we're lucky, remains constant. If this situation continues over time, it will eventually cause structural imbalances that lead to major crises.

Another perspective for analyzing the equation is that of money (What did I do with the loans I took out? What did I do with the resources I managed?). If these have been managed correctly, we will quickly have an increase in available stocks and/or processing capacity. This will make the system sustainable. Example: The United States has been running very significant structural deficits, but the dollar remains the reference currency. Many economists predict the end of the empire, but that society still retains its hegemony and power. Within classical economics, this has no rational explanation, but if we consider the global wealth model, we see that a significant portion of this public spending ends up being allocated to increasing the system's processing capacity or available stocks. Let's now suppose that the US government has a fiscal deficit that it covers with bonds, but that money is allocated to the development of a chip that is resistant to gamma radiation and has high processing speeds for nuclear projectiles. The cost of each chip will be millions of dollars. Despite this, thanks to the development of these chips, the corresponding company has

New market opportunities. Within our definition, this entire context constitutes what would be an increase in transformation capacity. This company does not increase its electricity consumption, its silica consumption, or its staff. What grows is its transformation capacity by offering better products. So, in global terms, this deficit produced an increase in capacity in the private sector as a counterpart. This management is what makes US deficits sustainable. The day this company loses the ability to increase transformation capacity through technological innovation correlated with the fiscal deficit, we will be facing the prelude to a currency crisis.

As you can see, throughout this framework we have reconceptualized the main concepts of economics, and this has allowed us to interpret reality in a more objective and predictive way.

It's not bad to go into debt or run financial deficits. What's terrible is that these realities aren't offset by available stock or an increase in processing capacity. It's important to remember here that processing capacity is measured by pesos per unit of sales. A practical example: in the case of aluminum carpentry, a kilo of the product costs nine dollars, and a kilo of it used in an airplane spoiler now costs one thousand dollars. Therefore, if the company suffers any of the aforementioned deficits but is dedicated to building airplanes, the possibility of being profitable and resolving the anomalies is real and concrete. On the other hand, if these anomalies persist and we don't have available stock or processing capacity to combat them, the only thing left to avoid a crisis is a miracle.

Future of Argentina

In our country, there were times when entrepreneurs could prosper and grow by taking risks and having ideas. Slowly, that universe of entrepreneurs has come under attack due to the way certain economic policies were implemented.

Many of our economists believe that to build a future, we must destroy the past. It is true that if one doesn't have a social group that questions the measures to be taken, implementing strategies becomes easier. But there is a conceptual error here: resistance to the implementation of economic policies does not come from the power groups but from the main operator, the State. Today, large corporations are functional to it, given that they are the tax withholding agents (collectors), the infrastructure managers, and the armed wing of monetary policies (banks). Many of the important economic conglomerates depend on the government and are functional to it.

What happened to the millions of entrepreneurs and businesspeople who existed in the 1960s? They've been defiled and machine-gunned. Today, a heap of

the small businesses that take 80% of the work and receive 20% of the national income.

Our politicians have two goals: to seize power and to remain in power. It is to be expected that at some point these two goals will be subordinated to a social mandate. Since the social mandate is unfortunately not linked to seizing and remaining in power, the strategy is to rent out millions of people who are in a pre-material state. Through this mechanism, they have reduced all small businesses and entrepreneurs to the category of hostages or assets for use and abuse. It must be made clear that a country is built by citizens, not by hostages.

Despite the poor implementation of economic policies, the country has improved somewhat in terms of infrastructure and resource exploitation (transformation capacity), but it is severely damaged in terms of education, healthcare, and industrial infrastructure. The result of this reality has two aspects: the economic result, which could have been better than it is and with more interesting strategic positions, and the social result, consisting of the millions of unemployed we were able to achieve.

Let's apply the knowledge developed in this book. Is any political party proposing to educate technical cadres to manage our society? The answer is no. Is any party discussing a mandate that would allow them to set a course based on the spirit of regulations and the interpretation of laws? No. The absence of these two elements inevitably makes our main economic operator, the Argentine National State, unable to administer any active policy at the single-cell level. Our politicians solved this problem by piggybacking on the administrative structures of medium- and large-sized companies, ignoring the importance of entrepreneurs and small businesses in the social fabric. This has generated ten million unemployed people, who end up being rented out by the system with a "Plan Trabajar, Jefes y Jefes de Hogar" (Working Plan for Women Heads of Households) or a training plan. This entire situation ends up being paid for by the middle and large sectors.

The curious thing about this entire social framework is that it is a product of the government's inability to care for and create spaces where these entrepreneurs and businesspeople can develop their activities.

It must be acknowledged that business owners are annoying because they are the center of all social problems. If the transportation infrastructure doesn't work, their employees arrive late to work; if banks don't provide loans, they can't buy machines; if their employees can't get an education, their productivity doesn't grow, etc. Thus, in business activity, all social shortcomings become concretely present, thus becoming a test of social reality. To resolve this situation, a sector of Argentine politics began to circulate the

Rumor spread that business owners were corrupt, patronizing, and protectionist. From this perspective, they justified their inability to care for these creators of jobs and opportunities, and the underlying message was that the disappearance of business owners wasn't important.

Returning to our analysis, a society that doesn't generate jobs, that has diminished its capacity for transformation, both qualitatively and quantitatively, and that relies solely on the extraction and export of raw materials, is a weak society, heavily exposed to fluctuations in international prices. Add to this context public spending heavily oriented toward populism, and economic crises are inevitable. In each of them, from 1966 to the present, we have lost various sectors of industry, business owners, companies, and entrepreneurs. In each of them, we have also turned to the world for help. On the other hand, with each of these crises, our neighbor, Brazil, has grown stronger, generated better companies, and created 60 million jobs in the same period. In the future, it will be inevitable that some of these Brazilian companies will need to complement ours. On the other hand, given Argentina's regional importance, it is very dangerous for our neighbors to have a neighboring country that is socially ill, since we can become infected.

The sum of these last two arguments, added to the fact that no country disappears, leads me to construct the following hypothesis: we will end up under the control of Brazil. Their influence over us will be expressed in monetary terms, basically in the following way: when we go out to ask the world for help in the face of our next crisis, we will be asked if we feel comfortable with MERCOSUR. If we answer affirmatively, they will suggest that we copy the Europeans and create a common currency among its member countries. In the European case, Germany began issuing the currency because it is the most influential country in the region. If this reasoning is followed, in the Southern Common Market, the currency will be issued by Brazil. Based on this situation, our presidents will be strongly influenced in their policies. It is important to note that Brazilian companies currently own Petrobrás Argentina, cement companies, clothing factories, and an overwhelming share of alternative churches on Argentine television. Furthermore, Brazil decided to make Spanish mandatory in primary and secondary schools. With all this data, if our politicians don't develop a broader strategic vision, we'll end up becoming an appendage of Brazil.

Pricing policy for individuals

The problem of prices will be addressed from two different perspectives. One is that of the social actors who manage resources (companies and

governments) and the other is that of those who consume resources (people). Each price portfolio defines a consumption portfolio. We also need to define this definition at the point of intersection, that is, the income level at which people begin to face other non-essential needs for the life they consider they must live. For example: I have friends who believe that life in the United States is dirt cheap. These people believe this because they measure it based on the offers at GAP and Banana Republic, forgetting that they are on vacation and that if they added the costs of tickets, accommodations, and so on to their purchases, it would surely have been cheaper to buy in their country of origin. Others are dazzled by the possibility of owning a house or a car that they can pay for in 30 years. It is true that if one is lucky enough to be within the system, having access to a mortgage or credit to acquire these goods is relatively easy. But the real comparison consists of looking at the minute-by-minute cost of what is spent in one's home country during a day and what the same amount would cost in the United States or Europe. It would involve getting up in the morning and going to breakfast here for three dollars, when in the United States the same thing costs ten dollars, considering this situation as equal quality and location. So we follow it minute by minute and see in our monthly portfolio how much is spent in one country or the other. So what I'm trying to propose is to associate quality of life with time, income, and costs. This is a true and valid comparison. I dare say that a Japanese worker who earns three thousand dollars a month has an infinitely inferior quality of life to a person who earns the same amount in our country. This means that three thousand dollars are not the same in Argentina as in Japan. Therefore, it's essential to see what portfolio of things can be done with that money here and what in Japan. Possibly, a relative change in prices could modify the activities one does. For example, if I'm a member of a club and the dues increase to a thousand dollars per month, I'll probably leave the club; if all clubs have the same dues, I'll probably leave the activity. This is why I choose not to talk about prices but rather about portfolios of activities over time and their respective valuation. It may be cheaper to import a pair of pants from China, but the time it would take to buy the pants from China and the domestic ones is surely the same. And let's assume the quality is the same. In one case, I would be paying more for the purchase than in the other. But we have to take into account what happens to the job that would be lost due to the imported product, and see if that price difference justifies the costs of security due to the resulting marginalization and of social assistance, as a palliative. Surely, this access to a cheaper product (pants in this case) will mean a greater presence of unemployed or marginalized people in the system. This issue will inevitably lead to an increase in security spending within my portfolio. Furthermore, only those who retain their jobs will be able to enjoy the satisfaction that comes with...

buy more products for their lower price.

This is where the problems of pre-material and material societies come into play. What I propose is that negotiations with societies that offer products that are cheaper than those we can produce domestically be conducted taking into account that the impoverishment entailed by losing one sector of production must be equaled or increased by the growth of another. The other possible type of negotiation is based on the volume of products. Each kilo of clothing imported from China should imply "x" number of tons of soybeans and meat. In this way, we keep the global wealth equation unchanged. If this is not taken into account, we are inevitably condemning some sector of society to poverty. With a bit of luck, global wealth may remain constant, but by choosing this strategy, we are producing a worse quality of life for those who were unable to keep their jobs, since it is very difficult to live surrounded by needy people and with points of interface infinitely lower than one's own.

In classical economics, it is assumed that the savings generated by the supply of lower-priced products will ultimately be invested in higher-productivity sectors, thereby acquiring comparative advantages. For this to happen, it is essential that the government lead all the situations that arise around this transformation, and for that, it is essential that it have a content along with a critical mass of officials aligned with it. Otherwise, what we will produce is a fiction (intellectual dishonesty) that will last as long as environmental conditions allow (current commodity prices, later international credit, later foreign currency flows from petrodollars). Each of these eras was managed from a fiction, and the final outcome was always a crisis.

In Lacht's book, he acknowledges that investment as a percentage of GDP between Brazil and Argentina in the same period (by Martinez de Hoz) was 11% higher, but what economists fail to see is that this investment produced an increase in transformation capacity of a very high percentage compared to what it had. Furthermore, from 1966 until now, Argentina lost 12 million jobs, and Brazil incorporated 60 million people into consumption and employment. By this I mean that prices in pre-material societies must be managed very carefully, because if we compare our productivity with that of a material society, we are absolutely convinced that with resource levels per job of 10,000 dollars, it is not very easy to compete with companies that have 100,000 dollars per job. Possibly in China, in the same sector, they have fewer resources per job, but pay infinitely lower wages than ours. In the hanger factory, when I made the dumping file, one of my employees had ten times more productivity than a Chinese one, but despite being able to compete on price within that reality, the cannibalism to which I was subjected, and the intellectual dishonesty with which they

Our economists handled it, and they almost bankrupted me. During the period I'm referring to, imports were used to control prices and interest rates to monitor currency; therefore, there was no inflation. We, the business owners, were caught in that vortex. The armed forces of that maelstrom were the supermarkets and the banks. What I paid in interest during that period would have allowed me to have a robotic factory today. If that had been possible, today's white quebracho wood, which with luck becomes charcoal, would be used for hangers, with its use of white quebracho wood having infinitely less impact on the ecosystem. If this raw material had a more dignified destination, it would have added value to those lands simply by having a forest whose wood has a use. For all the reasons stated above, I believe that in the conventional interpretation of price, we are talking about productivity, and I believe this view is dangerous because there are some situations that can lead to the impoverishment and marginalization of large groups of people.

Conclusion: It is important to differentiate between pricing strategies in pre-material and material countries. As we have explained, in material countries, instead of generating unemployment and impoverishment, as long as jobs are maintained, it increases the purchasing power and quality of life of employees. Therefore, an automatic pricing policy or one based on supply and demand can be extremely dangerous for pre-material countries. The next question is: What to do? Two strategies are presented here: one ex-factory, consisting of modeling this economically and, based on this, managing economic openness; and the other, ex-factory, in which jobs, the quality of our exports, and their price density are measured, based on which import controls are implemented.

It's impossible to implement any of these policies without a critical mass of people aligned with our project, whose behavior is steeped in intellectual honesty—in short, a group of people who, in either case, understand and defend the overall wealth of the system.

Pricing policy for those who operate economically

(businesses and government)

At this point the problem becomes more interesting, since the competitiveness of companies is largely a function of the resources surrounding their jobs.

Here we also have to segment the actors because pricing policy affects the government in one way, capitalized or material companies in another way, pre-material companies in another way, and the link between these actors is part of a web. It is important to note that material companies generally have a position

monopolistic or oligopolistic organizations, which makes them highly prone to cannibalism. The government, which has a negligent style of resource management, is also prone to managing the fiscal apparatus in a way that creates hostages. And the weakest, small businesses, are a commodity for use and abuse by others.

It is important for entrepreneurs to be able to acquire capital goods, consumables, and raw materials at the lowest possible price, as these two factors play a significant role in their cost and productivity.

As we explained in the example, many large companies take advantage of this situation to set prices that make manufacturing industries less competitive. And to all this, we must add access to credit and the fiscal cost. These last two points are crucial, because if a company knows it can pay for its capital asset within the term for which it obtains the credit, and if it has a market, it allows it to afford this resource in a way that doesn't substantially affect the price. For example: while in Santiago del Estero, I ran into a carpenter who made beautiful chairs for children. I bought three or four, brought them to Buenos Aires, showed them to my people, and they agreed it was a good product, and we saw the possibility of marketing it. I went back to see the man again and offered to buy 1,000 chairs. The price I had paid for the first one was one peso, and now, for the new order, he's asking for two pesos. I asked him how it could be more expensive per unit; the gentleman, very simple-minded, couldn't explain the reason for the price difference. I was interested in understanding what was going on. So I went back to see him and asked how he had calculated the new price. He explained that for the quantity I was asking for and the term, he had to buy a lathe, a band saw, and some other machine, the total cost of which was 1,000 pesos. Dividing the 1,000 units gave 1 peso per unit. As we can see, this worker mixed economic and financial considerations, and he prioritized the financial aspect, since he charged 100 percent of the machines to this sale. The situation would have been very different if this gentleman had known that with a purchase order for 1,000 units, he could go to the bank closest to his workshop and end up buying a machine to be paid for over 20 years. The impact on the machine would have been minimal, and the price would have been substantially lower. As we can see in this example, a pre-materials manufacturer, without significant financial and market assistance, will find it very difficult to update and achieve international standards. Now, does this gentleman, whose price and financial situation don't match the international price, have to survive, be helped, or be made to disappear? How do we decide this? In this analysis, based on our hypothesis, we have to look at it from the perspective of global wealth.

As we can see, the entrepreneur in the example generates transformation capacity because he transformed a raw material into an object of greater value. Therefore, he is increasing the transformation capacity and therefore the

Global wealth. It's undisputed that if the selling price of a product is lower than the raw material used to produce it, it's an activity that must disappear. Now, imagine that in an African country, the government collects royalties from the exploitation of its forests for timber and gives them away to its entrepreneurs; in other words, it's subsidizing their production. Here again, the finished product will be cheaper than the one produced in our country. What do we do? Do we say our producer is inefficient? That he's not competitive? Do we lose that production sector because a government decides to subsidize its entrepreneurs? Here again, several strategies arise: the material world decides to go to production where it receives free or subsidized production costs (for example, China), and thanks to this, they gain a market for high-tech products and improve the quality of life of their inhabitants, since with the same income they can consume more products or generate savings that will possibly be transformed into new technologies, and this cycle would seem to be virtuous. A pre-material country, witnessing this scenario, must judiciously manage the influx of these products and use them as a tool to improve the competitiveness of its companies. It is logical to think that these asymmetries are not eternal and one day we may find ourselves facing structural changes of unimaginable dimensions. For example, the dichotomy between non-renewable and renewable energies. The day we discover that oil is not enough, countless industries that based their entire strategy on this resource will be thrown off balance. That's why we need to play several games simultaneously to have alternatives when the situation changes. What is clear is that if there are scarce resources to manage, they should be allocated to companies that generate the greatest global wealth. But this shouldn't be taken dogmatically, because the man in the chair, despite giving away raw materials in Africa, can contribute his talent (design, quality) and produce a sophisticated product that deserves support. Therefore, for me, it's very difficult to assert that a production sector has to disappear. At most, I would venture to say that there are entrepreneurs who cannot continue in that activity, but there are other entrepreneurs who, with ability and talent, demonstrate that the impossible is possible, and these unique initiatives that flourished in adversity deserve to be recognized and supported by society. Unfortunately, this molecular economics I propose doesn't articulate very well with the big numbers of macroeconomics and goes unnoticed. As we mentioned in the Blockbuster example, this idea, which is now a multinational, obviously had no early potential reflected in GDP or any economic statistics. This is where the importance of talent comes into play, the vision of the entire chain of entrepreneurs and investors that allowed this idea to become a multinational company (I take this idea because I consider that it could have arisen anywhere in the world and I believe in the material countries, due to the fact of having more resources to risk and the need to generate new ones)

business spaces, given that cannibalism, intellectual dishonesty, and corruption are limited or punished, are forced to look favorably on these new ideas). In the case of a pre-material country, an idea like this, with very few resources, can be taken to a pilot scale, and the country and society would have to have the capacity to recognize its attributes and align the possible resources to export it.

For the reasons explained above, we don't talk about prices because without a well-defined contextual framework, we risk prejudging activities and entrepreneurs. Each society will have to find its price equilibrium, and this equilibrium will change as its premateriality diminishes until it reaches a level of productive contemporaneity. It must be made clear that prices are a consequence of many factors, and that the simple and straightforward result does not mean the absence of competitiveness or comparative advantages. It is essential in this proposal that the government, with its critical mass of officials, have the capacity to evaluate and value sectors, their contributions, their unique features, their needs, and take action based on these. This is why I don't talk about prices, because I believe that each society begins the path of growth with a equilibrium, and this equilibrium is constantly changing as productivity fluctuates, technologies change, infrastructure improves, etc. This is why it is essential to protect what exists and monitor growth and development so that, within the universe of possible combinations, we choose the shortest path.

Speaking of paths, it's important for us to understand that, as a pre-material society, we are seeing the direction material societies are taking, and this generates advantages and savings because we know what's possible, and with a little intelligence, we can also know how to achieve it, thus avoiding all the costs that come with being pioneers.

The more productive I am, the more I can sell.

Regarding the issue of whether something should exist or not, I've seen, in pursuit of productivity, situations of tremendous injustice. For example: before 2001, most companies were obsolete, unproductive, and destined to disappear. Devaluation came, and they became prosperous, profitable, and competitive. How is it that, through an economic act, companies that previously couldn't export can now gain market share? Once again, the issue of prices is linked to the country's monetary policy. So let's note that if we talk about prices, we must talk about the value of the currency and financial possibilities.

Another interesting topic to consider is the role of the State. For example, in the United States, the State generates indirect subsidies for investment in technological development. For example, Marcela's uncle was invited to a family gathering.

My sister-in-law. This gentleman is an engineer and works in California for a company that develops microprocessors. I ask him what he's up to, and he tells me they're developing a microprocessor that must withstand exposure to certain levels of gamma radiation and also have an unusually high processing speed. I ask him who it's intended for, and he explains that the Department of Defense requested it for the missile system. Well, one of the problems is that if a nuclear explosion occurs near other missiles, their electronics would be affected. Furthermore, a missile that flies at 30,000 km per hour requires an extremely high processing speed for the entire command. I ask him how many they requested, and the truth is, the order was for thousands. And how much do they pay him? Millions. And in developing this product, the American government, with thousands of chips, allows the manufacturer to equip itself, develop the technology, and have the possibility of having a higher-quality product than those on the market, with the American government taking over the development and implementation. Therefore, the prices at which the American government purchased these types of products allowed it to develop technology and consolidate market leadership with better products.

In the previous example, we can see how subsidy, financial, and monetary policies can affect the selling price of a product. This demonstrates that to compare similar prices, we would have to compare similar policies; otherwise, we would be comparing apples and oranges, prices, and productivity. In other words, if all the boundary conditions are equal, we can compare prices and productivity. And if this situation doesn't hold, what we are possibly generating are transfers from one country to another or from one sector to another. As we have explained, whenever exchange is associated with a balance of wealth between customers and suppliers, or an increase in wealth in both cases, it is welcome. If one of the participants becomes impoverished, there is intellectual dishonesty and therefore we must try to combat it, because generally, if these asymmetries persist, they lead to situations of violence or unrest, or they do not last long.

In all of the above, we have tried to explain that price and productivity are strongly related to their environment. Part of this may be comparative advantages, and part is government policies; this is why we believe that a sector of the economy does not have to disappear as long as it contributes to global wealth, and it must be eliminated whenever we replace it with a sector that generates more global wealth than the previous one.

REGARDING "IF THE ECONOMY IS UP, WHY IS AMERICA DOWN?"

Gross domestic product, better known by its acronym GDP, is a simple but problematic concept. This indicator attempts to measure a country's wealth, goods, and services produced during a year by nationals and foreigners, in real terms or at market prices. As GDP grows, so does a country's wealth. But the wealth measured is that which is the subject of commercial transactions in the market. When money changes hands, GDP accounts for it. Everything that has a price is part of the nation's wealth and therefore of its well-being. Nothing that doesn't have a price is included in a country's wealth, such as air, the work of women in raising and supporting a family, the subsistence of farmers, and the labor of their wives and children. Nor is the voluntary work of thousands of people in voluntary associations, such as community actions, educational boards, etc., part of GDP.

These shortcomings of GDP, and of the national accounts system in general, have generated a global debate. In the United States, GDP as a measure of wealth and well-being is being questioned, as is the concomitant economic policy that seeks to increase and elevate GDP without considering how. The phrase "the economy is doing well, but the country is doing badly" has its equivalent in the US: "If the economy is up, why is America down?" (Cobb et al. 1995). The mass media and the government revolve around headlines about the vicissitudes of GDP variations, and have ended up turning it into a modern tribal totem, to which everything is sacrificed and surrendered, yet without people joining the manipulators of public opinion and the government in the rituals, and even with the paradox that people feel pessimistic about their future, despite the good omens and flattering figures of politicians, economists, and journalists.

GDP assumes by definition that everything produced is "goods." It doesn't distinguish between costs and benefits, between destructive and productive activities, or between sustainable and unsustainable activities. GDP, the most important indicator of a country's wealth, is like a machine that only adds, but never subtracts. Everything that happens in the market is income, and everything that happens outside the market simply doesn't exist. It is invisible, independent of its contribution to well-being.

The breakdown of the family and small local communities, which greatly affects the social fabric, adds to GDP, but does not subtract. For example, divorce adds small fortunes to lawyers' pockets; the need for a second home, the fees of psychologists to address the emotional imbalance of children, the mother's work outside the home, etc., all add to GDP. A real estate agent told the Chicago Tribune: "Unfortunately, divorce is a big part of our business."

cio. It almost always means a house to sell, and sometimes two to buy." The increase in crime has given rise to an entire prevention and security industry, with immense revenues, 65 billion dollars in the US. American children watch three hours of television a day and spend barely five minutes alone with stressed parents. While the second activity adds nothing to the GDP, the first activity creates consumers, often compulsive ones. And so the "Kiddie market" (children's market) appears, then the Teen market (adolescent market), which move more than 200 billion dollars, regardless of how much unhappiness, loneliness, and stress it causes in people's lifestyles. Our fellow economists teach us that people maximize their happiness. A romantic novel that few believe, unless they are economists!

Something similar happens with the environment and natural resources. The more these are depleted, the more GDP grows. But by doing this, a gross accounting error, a vision error, is being committed, as Schumpeter would say. "Buildings, equipment (...) are considered income-producing capital, and their depreciation is recorded as a charge against the value of production; such a practice recognizes that consumption cannot be maintained indefinitely by drawing on capital reserves without replenishing them. However, natural resource assets (arable land, minerals, timber, etc.) are not valued in the same way: their loss, although it may lead to an appreciable reduction in future production, does not entail any charge against current income" (Repetto 1992). This attitude of ignoring in accounting the costs of misusing nature and planet Earth, the only place where we earthlings can live, has raised warnings, even from the most conservative circles in the world: former World Bank official Herman Daly has said that national accounts treat nature as if it were a business in liquidation. Barber Conable, former president of the World Bank, said: "Current calculations ignore the degradation of the natural resource base, and view the sale of natural resources entirely as revenue (...) a better method has to be found" (Cobb et al. 1995). But GDP is unfazed by criticism. When a chemical factory produces goods, they are added to GDP; but since it also produces "bad things"—pollution and poisoning of the air, water, and soil—then millions of dollars are spent on cleaning up the environment, which also adds to GDP. Destructive, unsustainable activities add twice as much to GDP. The extra costs stemming from pollution that poisons and kills living beings, plants, and animals, such as doctors' bills, medicine bills, hospital bills, and funeral home bills, all add to the GDP. US Congressman Allan Mollohan hit the nail on the head when discussing the coal problem. If the depletion of coal reserves and its effects on air pollution were to be included in the national accounts, he said, "someone is going to say (...) that the coal industry is not contributing anything to the country" (Cobb et al. 1995). Have we Colombians already done the math?

coal, oil, gold, platinum, etc.?

With the rise of GDP as the great economic and social totem, politicians and economists have forgotten the warnings of Simon Kuznets himself, Nobel Prize winner in economics and designer of national accounts in the 1930s. In a 1934 report to the US Congress, attempting to point out the limitations of national accounts, Kuznets said: "The well-being of a nation (...) can hardly be inferred from the measurement of national income, as previously defined." As late as 1962, Kuznets said: "Distinctions between the quantity and quality of growth, between costs and returns, between the short and long term, must be kept in mind (...) the objectives for more growth should specify more growth of what and for what" (Cobb et al. 1995).

Tools, strategies and confrontations

Editorial Croquis 2009

Editorial Croquis 2009

Macroeconomy

In this section, we will compare traditional concepts of economics and show the different perspectives we interpret them. We believe it is fundamental that these concepts are aligned with our thinking. That's why we will take passages from books and attempt to discuss them from a literal interpretation to our structural perspective. We will discuss their differences and the reasons for them.

Basically, the above has to do with cross-cultural issues. For example: if we take the definition of economics as the science that manages scarce resources to satisfy human needs, and we use GDP as a unit of measurement to determine what resources we have, then a GDP that increases because we are putting the country into debt is not a measure that meets this definition and objective of an economist. Therefore, we believe that the tools of economics alone are not a value. It is determined by a content. As we have said, if the content is to satisfy human needs, it would be good to evaluate all macro and microeconomic parameters from this perspective and act accordingly to ensure this. In a cross-cultural situation, we might believe that if GDP increases, the balance of payments improves, the fiscal deficit decreases, the Openness Index improves, etc., we are in a better country. And meeting these indices does not necessarily mean we are in a better country. A better country is one that has more resources to satisfy society's needs. That's why in this work we try to impose the concept of global wealth, which is more comprehensive than the definition of economics. And it's also more aligned with the essence of what Adam Smith proposed. I suppose that when this economist proposed his economic theory and spoke of utility as the axis of human motivation, he looked at the social behavior of his time and tried to extrapolate the behavior of successful people. From this situation, he proposed an entire strategy for the allocation of resources. Curiously, this rational behavior is not so immediate, neither for individuals, nor for companies, nor for countries. It is tinged with inertia, prejudices, and beliefs that resist and delay this rationality. Furthermore, in Adam Smith's belief, what is obvious to him is usually not that obvious, and common sense is the least common of the senses. This is why teaching this economic foundation by assuming that utility is the driving force of decisions, when it is sometimes difficult to measure and where this concept was possibly originally very closely tied to that of wealth, can lead to conceptual errors in students. That's why I believe that a serious problem, among economic ills, is transculturation. Because phrases are used instead of paragraphs, there is a serious risk of making irreparable errors.

Macroeconomics is the branch of economics specialized in the analysis of

aggregate variables, such as total national production, income, unemployment, the balance of payments, and the inflation rate. The main difference with microeconomics is that it studies the composition of production as well as the determinants of the supply and demand of goods and services, how they are exchanged in markets, and how their relative prices are determined.

The above explanation, if taken literally, is as if we were talking about two different worlds. The tools used by macroeconomics are fiscal policy and monetary policy. These two policies are not inert to microeconomics. For example: when Minister of Economy Cavallo began his administration with Menem, the annual interest rate for SMEs was 12%, inflation was low. With that interest rate, I, as a businessman, dared to go into debt. My company could afford that interest, but the lack of control over public spending resulting from populist policies and the need to align social actors with the liberal monetarist ideology of the time meant that after four years, the annual interest rate at constant currency for an SME was 36%. The domestic market was completely flooded with imported products due to negligence in customs controls; supermarkets and large companies financed much of their expansion with payment terms that stretched into infinity, etc. As we can see, monetary policy reflected all the ineptitudes, intellectual dishonesty, and corruption of the public sector, camouflaged by a free-market, monetarist, cross-cultural discourse that led to the 2001 debacle. Gentlemen, a gesture in the macroeconomy is an atomic bomb in the microeconomy, and thousands of microeconomists, united, barely move the macroeconomy, but we are the ones who manage the labor resources of 80% of the population.

This is why teaching macroeconomics without the corresponding implications for microeconomics is extremely dangerous. Having a kilo of grapes is not the same as having a kilo of gold. In both cases, we can say we have a kilo of something, but in one case, we have three pesos (a kilo of grapes) and in the other, several thousand dollars (a kilo of gold). This is why we believe it is essential to explain the quantitative and qualitative differences in what we are studying to gain a proper understanding of the subject.

In macroeconomics, it is crucial to understand the concept of national product, or national income, that is, what is known as gross national product (GNP), which measures in monetary terms what is produced in a country, i.e., final production, which must correspond, by definition, with final demand. It is important to avoid double counting of production; that is, the production of intermediate goods should not be counted because they would appear twice: as intermediate goods and as part of the value of final goods. However, there are different interpretations of international agreements regarding what can be considered an intermediate good and what is considered productive activity. But these different interpretations require

A very specific analysis that falls far short of the core of economic policy resolution and macroeconomic theory. Macroeconomic theory focuses on studying the composition of GNP, independent of international conventions and their interpretation, and on analyzing the determinants of economic stability, as well as the relationships between aggregate variables.

"Potential" GNP at a given point in time depends on the quantity of available factors of production—labor and capital—and on technology. These three elements change over time; the analysis of their long-term changes constitutes the core of a branch of macroeconomics known as growth theory. However, for a given point in time, in a static analysis in which capital, vocational training, labor education, and technology are given, "current" output will depend on the utilization of available capital and labor. Thus, this output may be lower than potential output if there is unemployment or underutilization of available capital.

The underutilization or underutilization of labor causes social problems, which is why macroeconomic theory has focused on studying the causes and consequences of unemployment. Until the publication of John Maynard Keynes's famous *The General Theory of Employment, Interest, and Money* in 1936, the classic explanation of the causes of unemployment stated that it was due to rigid structures in the labor market that prevented wages from falling to the "equilibrium" level. The idea underlying this model is that when there is mass unemployment in the labor market, the availability of unemployed workers should reduce wages to the point that some would be unwilling to work (thus reducing the labor supply) and that firms would be willing to increase their workforce as the lower cost to pay (the wage) made hiring profitable. However, if there is rigidity or inflexibility that prevents wages from falling to the point where supply and demand are equal, unemployment will not be reduced. These include, for example, union action requiring a minimum wage, or legislation mandating such a wage.

Keynes's main innovation was his assertion that unemployment can be due to insufficient demand rather than an imbalance in the labor market. This insufficiency can occur because planned investment (the investment entrepreneurs would like to make) is less than available savings. Savings constitute an outflow of money from the circular flow of income, created through the production of goods and services and used to purchase those same goods and services. This outflow of income reduces the level of aggregate demand. Real investment (also called capital formation), which enables the production of machinery, factories, homes, etc., has the opposite effect—it represents an inflow of money into the circular flow of income, thus tending to increase the total demand for goods and services.

In the first 'classical' models of unemployment, such as the one described above,

In this context, the potential for insufficient aggregate demand in the market for goods and services (the goods market, for short) was not taken into account. It was thought that any gap between planned savings and planned investment would be eliminated by adjusting interest rates. For example, if planned savings exceeded planned investment, interest rates would fall. This would also reduce the supply of savings while simultaneously increasing the demand for investment, as firms would be willing to borrow at lower costs to purchase machinery, office space, and so on. In other words, changes in interest rates would be the force that would balance the market for goods, just as changes in, say, the price of apples would be the force that balances supply and demand for apples.

On the contrary, the Keynesian model emphasizes the importance of variations in the level of production and employment as balancing movements that would allow investment and savings to be equalized, thus determining the equilibrium level of total national income and national production. But this does not necessarily correspond to the point at which labor supply equals demand. Moreover, according to Keynes, a decrease in wages in this situation would not help reduce unemployment for a whole series of reasons, which he explained, primarily, in Chapter 19 of the *General Theory*. Of course, Keynes was not the first economist to point to insufficient aggregate demand in the goods market as the cause of unemployment. As he himself acknowledged, Thomas Robert Malthus and other economists had already pointed to these types of causes. Moreover, at the same time as Keynes published his work, and independently, the great Polish economist Michal Kalecki published a theory outlining the same reasons.

The 'Keynesian revolution' implies that, in macroeconomic terminology, the 'goods market' would be in a state of 'underemployment' equilibrium, as it does not allow for equilibrium in the labor market. Therefore, in the latter, employers do not hire the workers they would need to maximize profits if there were sufficient demand in the goods market. Over the following years, macroeconomists worked hard to analyze concepts such as 'underemployment equilibrium' or 'limited labor demand'.

Over the past few decades, Keynes's theory has been refined. For example, although there is still disagreement about the relevance of wage rigidity, significant progress has been made in explaining the causes of this rigidity without resorting to arguments based on unions or government regulation of the minimum wage. At first, it seemed difficult to reconcile the notion of wage rigidity with the classical economic assumption that people try to maximize their utility, which would imply, in theory, that they would be willing to accept a lower wage in order to be able to work. However, as the number of variables analyzed expanded and others, such as long-term welfare maximization, were taken into account, the

loyalty, pride and other types of sociological and psychological variables, it has been possible to reconcile the imbalance in the labor market with the classic assumptions of maximizing behavior.

Another important aspect of modern macroeconomic theory stems from the importance Keynes placed on the effect of uncertainty on economic behavior. It involves analyzing asymmetric information to explain aggregate unemployment, also using some elements of game theory. For example, firms would hire more labor if they knew with certainty that other firms would do the same, such that the resulting increase in wages would increase aggregate demand in the economy and, therefore, demand for their products. Since there is no mechanism that allows for such collective decisions that are favorable to everyone, the result is an underemployment equilibrium that shares some characteristics of the "prisoner's dilemma" situation, in which each individual firm selfishly decides to secure its own profits, even though pooling information and making decisions jointly could ensure greater profits for all. Other labor market theories—such as the "insider-outsider" worker theory, which emphasizes the conflict of interests between unemployed workers and employees with the power to negotiate their wages—allow us to improve our understanding of how the labor market works.

Keynesianism's emphasis on demand as the key determinant of short-term output levels enabled progress in other areas of macroeconomics. In part, it initiated the development of national accounting and concepts such as total expenditure on consumption, capital formation (production of machinery, factories, etc.), public consumption, and exports and imports, which constitute the key elements that make up the aggregate "final demand" (as opposed to the demand for intermediate goods) of the economy. The Keynesian approach also enabled the analysis of the determinants of these key elements of final demand, by developing, for example, the theory of aggregate consumption demand and its relationship to income levels, as well as its dependence on current interest rates.

This dependence of consumption on interest rates is particularly relevant because of the role that interest rates play in determining the equilibrium of the "goods market." Monetary theory is therefore an essential part of macroeconomic theory, but it is also the source of some of the most important disagreements among economists. According to the Keynesian view, the interest rate is, in essence, a monetary variable whose main function in a world of uncertainty is limited to balancing the supply and demand for money, not to balancing planned investment and savings. This interpretation of the function of money makes it possible to analyze variations in the desire for liquid money depending on the interest rate and, therefore,

determines the velocity of monetary circulation. This underscores the importance of the short-term determinants of interest rates, which contrasts with the classical view that, in the long run, interest rates depend on the 'real' forces of productivity and savings. This latter approach fitted perfectly with the classical model of the labor market, in which the level of employment depended on real forces: individuals' willingness to sacrifice their leisure time in exchange for income (determinant of labor supply) and labor productivity (determinant of labor demand). The Keynesian approach, which affirms that interest rates are a monetary phenomenon, reflected Keynes's focus on the short term; most economists agree that, in the long run, the average interest rate—net of inflation and taxes—tends to approximate the long-term real rate of return on financial assets.

On the contrary, and assuming that the demand for money depends on wealth—and money is just one way to obtain it—it has been argued that an increase in the money supply will reduce interest rates, which, in turn, will stimulate investment and, therefore, aggregate demand. Therefore, an alternative way to reduce unemployment is to increase the money supply. However, although there are different explanations—as is often the case in economics—for the effects of money, almost all proponents of monetarism agree that the effects of these methods on increasing production would only be temporary, especially because an increase in the money supply, without other changes, would lead to an increase in inflation. Some schools of economic thought, particularly those that advocate "rational expectations," go so far as to claim that the population would become aware of the interdependence between the money supply and the general price level, rendering attempts to reduce unemployment by increasing the money supply ineffective even in the short term.

Monetary theory is also related to another key element of macroeconomics: inflation. For several decades after World War II, two types of inflation theories were accepted: demand-pull and cost-pull. The latter emphasizes excessive wage increases relative to increased productivity as the main cause of inflation, while the former attributes inflation to excess demand in the goods market. This excess demand is usually caused by excessive growth in the money supply. A key concept in inflation theory since the mid-1950s is the Phillips curve, which relates the level of unemployment to the inflation rate. The curve suggests that lower unemployment will push up wages, all else being equal. If it is accepted that a stable relationship between employment and inflation can exist, society must choose between various combinations of inflation rate and unemployment level. However, many economists doubt that this possibility exists.

of exchanging employment for inflation and claim that, if possible, the Phillips curve would shift such that higher inflation would not be accompanied by lower unemployment and that, in order to lower the unemployment rate below the 'natural rate', continued increases in inflation would have to be accepted. Other economists doubt that there is a stable relationship between the level of unemployment and real wage demands and, therefore, doubt that there is a 'natural rate of unemployment'. There are also many who argue that this natural rate of unemployment exists, but that it varies over time.

We have previously read different economic models and their correlation with macroeconomic indices of inflation, supply, demand, etc. Curiously, this entire analysis fails to address the responsibility that macroeconomics has in the supply of goods and the importance of this supply in meeting society's needs. It is true that excessive demand brings inflation, excessive supply brings deflation, but the adjustment of macroeconomic variables, according to our approach, should never threaten global wealth. That is what economists rely on to conduct economics. Therefore, I don't believe there are good or bad economic policies, neither neoliberal, Keynesian, nor monetarist. What I do believe is that any of these policies propose tools for their operation, and they can be used to the extent that they threaten global wealth. When these tools are adopted from a fundamentalist perspective, irrationality, and stubbornness can end up affecting global wealth and, therefore, the element to be managed. That's why I don't criticize any economic theory, because the tools are neither bad nor good. Those who are good or bad are the officials who carry out the actions. And when they are sickened by transculturation or intellectual dishonesty, they lose sight of the fact that the existence of global wealth is the means to solve the problems of people and businesses. I've often heard that the demise of production sectors is necessary in pursuit of future progress. And this reasoning doesn't include the sector's capacity for transformation, the unemployment costs that would ensue if the jobs to replace them weren't created, the cost to the trade balance, etc. Because behind each sector of the economy, there is a huge amount of accumulated wealth that doesn't appear in the accounts. The accumulated investment and the accumulated capacity for transformation are not reflected in any accounts, so these losses are sometimes not taken into account in analyses, but they are reflected in the loss of income for many people, in unemployment, and in the trade balance. This is why we defend the idea of global wealth in any analysis, whether macroeconomic or microeconomic.

Macroeconomists are also concerned with analyzing, as already noted, the main determinants of final demand, such as "real" investment, which is distinguished from investment in financial assets, which only indirectly affects the level of demand in the economy. Another key component

The main components of final demand are public spending and the scope of fiscal policy as a stabilizing instrument for the economy in a context of full employment without inflation, a fundamental analytical framework in macroeconomics. To complete the study of the main components of aggregate demand, macroeconomics must take into account the factors of external equilibrium, that is, the balance between exports and imports and their determinants, especially exchange rates. Exports stimulate demand in a manner analogous to that which occurs in capital formation. Imports constitute an outflow of income because they satisfy domestic demand without generating income that can be recycled to create more demand.

Theories that study how the determinants of total final demand operate are the basis of the macroeconomic models used to make economic forecasts about production, employment, and other macroeconomic variables. In recent years, these forecasts have not been verified, so the study of the causes of errors has allowed models and theories to be redefined and revised. For example, much more attention is now being paid to the role of consumer credit and accumulated wealth in studying consumer spending and saving behavior, as well as the importance of future expectations. Of course, it is possible that some of the changes made to the models may lead to new errors, but this can only be determined over time. Undoubtedly, macroeconomic models will continue to be revised, just as the causes of errors in predictions will continue to be analyzed. Whether theory can evolve to a point where more or less reliable economic forecasts can be made is something that may never be known with absolute certainty. Some of the questions economists are asking may remain unanswered.

As explained previously, GDP can be measured by supply or demand. Curiously, in our country, under Martínez de Hoz and Menem, we have accumulated considerable debt. These capital inflows are ultimately reflected in demand and, therefore, increase GDP. And this increase doesn't mean more factories or more jobs; it means bread for today and hunger for tomorrow. The way we propose to view this is global wealth. A proper use of the total production of a society in a given period should translate into increased transformation capacity, available resources, health, education, well-being, etc. And not into health for some, education for others, well-being for others, or unnecessary consumption. As we have said, no sector of society has the right to impoverish another, and this paradigm requires that not only is it important to increase global wealth, but equally or more important is how that wealth increases. Let's imagine that grain prices rise to astronomical levels and that the three hundred thousand agricultural producers plant everything that can be planted. From the GDP perspective, this will

to increase because production increased in price and quantity, but the reality is that this increase in GDP won't necessarily reflect how much of that wealth went to infrastructure, wages, or healthcare. Note that cross-cultural training lends itself to failing to clarify that it's not just important that a parameter increases, but how it increases.

Considering the reflection raised in the book used as an example, we repeat: models are neither bad nor good. It's people who are good or bad. The model may be imperfect, but if reality is well monitored and from a constructive perspective (global wealth), the model's limitations, whatever they may be, will be corrected before they cause damage to the real economy. No model or theory can be ahead of people and their resources, since if this happens, it can cause damage whose social and human costs can be infinite.

Microeconomics

Microeconomics studies the various economic sectors: businesses, consumers, etc. The reality is that this model was developed by people living in countries that were at the material stage for their historical moment. And as a result of this situation, the entire microeconomic framework suffers from astronomical flaws when transferred to pre-material countries. For example: What freedom of choice does a person have when they don't have the money to move and seek better prospects elsewhere? None. So, to talk about a policy of supply and demand and labor in a country where most people don't have a minimum surplus to move and seek better employment is false. And it's not that the theory is false in general, it's false for a pre-material reality. As we explained previously, talking about business competitiveness when there is no capital market—and in general, the absence of a market coincides with the pre-materiality of the society in which one operates—is also fallacious. This is why I believe it's important to teach the parameters and concepts that allow us to share a common language and conceptualization with the rest of the world, but it's also essential to teach the scope and environments of validity of this conceptualization. This requires a double effort for pre-material countries because they have to establish all the concepts of the countries that generate the content and also add to them all the sociological, anthropological, and historical understanding to understand their scope and limitations. This issue is not minor. For example: France or England in 1700 (the emergence of classical economic thought) were material countries for that time, and the ideas that emerged from their thinkers were imbued with material connotations. Three hundred years later, we view that historical moment as pre-material, but here we are making a mistake because those countries were the most advanced and prosperous of their time. Evidently, thought

Material thought is imbued with a sense of the environment that is not necessarily the same over time.

Another issue that also denotes transculturation is the form of accounting representation. Much of all accounting development arises from the need to be able to represent what is happening in an activity. Here a problem arises: this language began to be used by governments to collect taxes. Thus, this way of telling history began to be tainted from the beginning by devices designed to minimize this type of expenditure by taxpayers. Here, too, a transcultural phenomenon occurs: if keeping accounting records that are accurate implies X amount of pesos in tax payments, if the system allows access, thanks to the payment of those taxes, to large markets and almost infinite financing, they will likely be paid happily. This is the situation in material countries. If the system does not provide access to financing, does not help to conquer more markets or develop them, then the system itself is absorbing the few resources available to reinvest and grow. And in this way, most small and medium-sized entrepreneurs end up playing a hypocritical game full of lies that makes them, in a sense, hostages of the system. Fortunately, even though the majority of society is pre-material, there is always some social group that manages to concentrate enough resources to live in a material situation. And for this group, it would then be much healthier and more serious to open up the tax issue to these two groups. And I repeat: a country is built with citizens, not hostages. And a group of small and medium-sized entrepreneurs who can be proud of showing their reality without running the risk of losing their capacity for transformation becomes a social group that demands and negotiates with large companies and the government, avoiding being cannibalized or destroyed. Obviously, this situation is infinitely more bothersome for the government than forcing them into a hostage situation, where everyone knows they have something to hide and therefore cannot exercise their rights. At some point, it has been said that it would not be fair to have one law for some and another law for others. Well, I think it's unfair to think that a businessman who still has to buy robots, machines, resources, etc., and who falsifies his financial statements to achieve this, is also held hostage by the government of the day. Clearly, in this situation, if advice had to be given, it would be to tell them not to produce. Fortunately for the country, there are hundreds of thousands of people who don't see it that way, who produce and pay astronomical interest rates and are sucked into the hands of some other sector of the economy. With luck, they'll survive a lifetime in this reality if they don't go bankrupt first.

Another conceptualization issue I've noticed, and which isn't well represented in financial statements, is the difference between what can be disposed of and what is owned. For example: I have a factory (with its land, building, etc.). Do I own that factory? No and yes. No, because if I want to be industrial, I need the building and the resources. Yes, because if I stop being industrial, it becomes

Being an available resource. This is why in this book we talk about available resources and usable resources. Available resources are those that are not attached to the function, in this case, being industrial. Being industrial requires land, a building, credit, raw materials, etc. All these resources are attached to the function of being industrial. When the activity ceases, they are released. This way of viewing a company's accounting is not reflected in the financial statements, as there is working capital, liabilities, assets, movable property, and real estate. What is important is that what is available is a concrete perception of the resources with which we can grow or undertake new projects. As we can see, the pre-material world and its intellectuals would have to carry out work that allows us to parameterize all this teaching and adjust it to the reality of our societies, in order to train professionals who are functional for growth.

The weather

The economy has two links with time: one is photographic, which tells me how I am today and I take a photograph; and the other is aggregate, which is how much the thing I'm measuring has changed from the previous starting point to this moment. But in physics and with moving objects, time is related to mass, since changing the direction of a particle or accelerating it is a function of forces and time. This means that a very heavy object, to change its state (speed or direction), if I have a small force, requires a lot of time. Or, alternatively, it requires a lot of force and little time. Here again, we have to associate the concept of mass with that of wealth. And if we apply this to our scale of material and prematerial countries, material societies require a lot of time to be able to change their direction. To make this concept more accessible, let's talk about ships. The captain of an oil tanker weighing millions of kilos begins braking the ship several kilometers before reaching its destination, because once it reaches full speed, the force of the engines in reverse is unlikely to slow it down in a short time. On the other hand, a cruise ship, which has a higher power-to-weight ratio, can be stopped by the captain in reverse, which can be stopped in a few meters. The same thing happens with economies. One thing that caught my attention is that every week the American government reports some index related to the economy (employment, inflation, mortgages, investment, etc.). These indexes aren't just part of the story; each one leads to a correction in the economy: inflation increases, interest rates rise, unemployment increases, interest rates fall, or government spending increases. In my view, Alan Greenspan was a master at understanding these gradual adjustments and their implications for the economy and its relationship to its mass. Because when one does not do it this way, distortions accumulate that end in severe economic crises: hyperinflation,

Devaluations, etc. Again, due to transculturation, this issue is rarely discussed in our countries. And in a country without history, this shouldn't be a minor issue. Some believe this is part of a given institutional phenomenon, that the American Federal Reserve's objective is to preserve the value of the currency and no politician can use the reserves or change monetary strategies in pursuit of an electoral goal. The reality is that in our country, I've never seen this kind of fine-tuning work done, and the question is: Is this an institutional problem? Or is it a phenomenon of incompetence or inexperience? Because without parameterized indices and without the correct ones, we can't work with this level of subtlety. The truth is that managing a large economy is not the same as managing a small one. The larger the economy, the earlier measures must be taken. When this doesn't happen, distortions accumulate, as already mentioned, and an economic crisis ends. I personally believe that the lack of institutionalization in this area has to do with the lack of studies that generate reliable indices, and their sensitivity to the variable being adjusted and the response times of those adjustments. And through the history of these, we can see the risks of not correcting them in a timely manner. And the entities that should be raising the alarm are Congress, the Judiciary, Associations, Journalism, etc. None of this is happening, and therefore we continue to be exposed to economic swings.

My position on the above is that a good measurement of reality, interpreted from the mandate and controlled by a critical mass aligned with it, is the best recipe for economic growth. I personally believe that economic growth is a consequence of an entire social phenomenon that aligns and organizes itself behind a commandment, and that this commandment generates these indices, and action consistent with them mediates social tensions. I believe there is no economic theory that says, "Building this portfolio of things achieves growth." One has to start with an idea, since it allows us to confront reality, and through this comparison with reality, we can draw conclusions that lead us to learning. Often, the indices show realities that oppose our ideas. Here again, disease (fundamentalism) can emerge, or we may understand that our idea doesn't comply with what was modeled due to a number of factors we didn't consider, didn't discover, don't understand, or can't manage. Reality is possibly closer to all these uncertainties, and that's why we often have to make adjustments or corrections that aren't aligned with our desires or beliefs. Obviously, I think the economist who discovered the relationship between the supply of money and demand and inflation, which is an indisputable economic law, should feel happy and satisfied with his discovery. But I think that in the case of economic growth, one can have a mandate and we must try to steer everything in that direction. Unfortunately, I believe that growth is tied to a continuous effort to get closer to some predetermined objective.

finished, and which is a work related to the administration and allocation of resources over time, not to an equation or portfolio of theories. Therefore, economic theories are neither bad nor good. All of them, when well managed, can be good; some will achieve their objectives more quickly than others. But none proclaims poverty, dismay, or hopelessness. And what must be measured is reality in order to prevent us from converging into a gray, violent, and hopeless universe.

Federal Reserve

Introduction

Allow me to briefly review the history and how the United States Federal Reserve operates.

Well, in recent history, an official of the same (Alan Greenspan), in my view, managed monetary policies taking into account the inertia of the American economy. In this way, he moderated economic cycles and is responsible for one of the periods of greatest growth in capitalism. He clearly demonstrated that by closely monitoring economic developments and interacting with the markets—not always through economic actions but also through gestures—he has managed to keep the economic parameters within a feasible range. Often, a gesture or opinion from this gentleman adjusted variables, discouraged speculation, and halted deviations. That is why I dare say that growth is related to a commandment (in his case, protecting the American way of life, a very tangible intangible) and, based on this, he brought the country and the world to one of the stages of maximum prosperity.

Thanks to the commandment, plus a follow-up, and an aligned critical mass, he ensured proper administration and adequate resource allocation. And pay attention, this man fought the ills (cannibalism, intellectual dishonesty and corruption, the dismantling of Enron, the dot-com bubble, etc.). In other words, he had a commandment, a sound understanding of reality and the real economy, and he safeguarded the global wealth of the American people.

Below is the history and how it works.

Federal Reserve, central bank of the United States. A country's central bank serves as the banker for all other banks and the government; it is also responsible for issuing money, regulating monetary policy, and overseeing the operation of the country's banking system. In the United States, these functions are carried out by the directors of the Federal Reserve System: the Board of Governors, headquartered in Washington, D.C., and the directors of the 12 Federal Reserve Banks, located throughout the country.

Almost all of the Federal Reserve's power is concentrated in the Board of Governors, which is responsible for all aspects of banking regulation, money supply control, and Reserve policy. Since the Board is not an operating body, the implementation of its policies is in the hands of the 12 federal banks, whose stock is owned by the commercial banks within the Federal Reserve system.

Federal Reserve. However, in this case, stock ownership does not imply control of the banks; the Board of Governors and the directors of the Reserve Banks dictate policies based on the interests of the country, not the interests of private entities.

The regulatory system of the U.S. banking system is very complex; in some cases, the tasks carried out by the Federal Reserve are carried out with other public institutions. For example, in the case of mergers or to control private commercial banks, the Federal Reserve acts in collaboration with the Currency Comptroller's Office and the Federal Deposit Insurance Corporation. Monetary policy, that is, the control of the amount of money in circulation, is the exclusive responsibility of the Federal Reserve, which operates completely independently of political power.

History

For 50 years prior to the creation of the Federal Reserve in 1914, economic growth was frequently hampered by recurring economic crises, often accompanied by crises in the monetary system. The American banking system was unable to respond flexibly to economic cycles.

The National Banking Act of 1864 divided the banking system into three groups: the Central Reserve banks (the first was established in New York, and two more were established in 1887 in Chicago and St. Louis), the Reserve banks (in 16 other cities), and the national banks. All national banks were required to hold a certain percentage of their deposits in reserves, but some of these reserves could be deposited with the Reserve banks. When the national banks needed more money to meet their customers' liquidity needs, they could turn to the Reserve banks, which in turn could turn to the Central Reserve banks. Any failure in this pyramid would lead to the collapse of the entire monetary system, since liquidity could not be created above the Central Reserve banks, leading to a suspension of payments. Banking crises of this nature occurred in 1873, 1883, 1893, and 1907. The latter led to the creation of a public institution controlled by both houses of Congress, the National Monetary Commission, which enacted the Federal Reserve Act in 1913, creating a flexible and decentralized banking system.

Monetary control

The Federal Reserve controls all of the country's financial variables. The two main instruments of control are open market operations and changes in the required reserve ratio. Market operations

Open market transactions involve the buying and selling of government debt. For example, when the amount of money in circulation grows more slowly than the Federal Reserve deems appropriate, it purchases government debt, thereby putting money into circulation that allows the banking system to hold more deposits, a fundamental part of the money supply. Similarly, if the amount of money in circulation is excessive, the Federal Reserve will implement a restrictive monetary policy, selling government debt on the open market. This sale will reduce the amount of bank reserves and, therefore, the banks' ability to lend money.

Although open market operations are the most flexible and widely used instrument for conducting monetary policy, the same objectives can be achieved by varying the required reserve ratio, that is, the percentage of deposits that commercial banks must hold in the form of reserves at the Federal Reserve Banks. When this ratio is increased, banks cannot create as much money as before because a larger proportion of their assets must be tied up in reserves; the opposite occurs when the ratio is decreased.

The Federal Reserve can also control the money supply by varying the discount rate. When commercial banks need more money and borrow from the Federal Reserve, a higher discount rate will make these loans more expensive, causing banks to reduce their demand for money. Changing the discount rate can be used at the same time as open market operations. It can also be used to provide monetary signals about prevailing economic conditions in the market.

The Federal Reserve only selectively controls the buying and selling of securities, imposing a legal margin for the purchase of financial assets, that is, a minimum percentage that the buyer of securities must deposit. This legal requirement arose after the Great Depression and is intended to prevent speculation in the stock market.

The Credit Control Act of 1969 authorized the president to grant additional powers to the Federal Reserve. In 1980, this act was implemented to allow the Federal Reserve to control consumer credit.

Effects of Federal Reserve policies

Economists believe that Federal Reserve policies have both positive and negative long-term effects: first, the Federal Reserve's decisions have sometimes increased, rather than decreased, economic instability; second, attempting to fine-tune the money supply is unproductive and can be highly destabilizing; third, over the long run, policies restricting money supply growth can actually reduce the rate of inflation;

Finally, some problems cannot be solved by the Federal Reserve, as was the case, for example, with the oil crisis. Many economists argue that the Federal Reserve was partly responsible for the Great Depression of the 1930s. On the other hand, the price stability of the late 1950s and 1960s was due in part to the effectiveness of the Federal Reserve's monetary policy. Criticism increased during the 1970s and 1980s, when the monetary authorities seemed unable to stem the rise in inflation and interest rates. By the mid-1980s, many economists believed that the Federal Reserve's anti-inflationary policy was quite effective.

Relations with the government

Some consider the Federal Reserve a fourth branch of government because it has become a powerful political group that should not be subject to outside controls. The Board of Governors is, by law, independent of the executive branch, with a mandate that exceeds that of the president. However, in practice, the Fed designs its monetary policy according to the political and financial objectives established by the executive branch.

The relationship with Congress is more complex. On the one hand, the central bank is undoubtedly an institution created by Congress, so the term of the Board of Governors and its longevity depend on it. On the other hand, the self-financing of the Federal Reserve grants it a great deal of independence, removing from Congress one of its main instruments of control: the budget. Thus, the Federal Reserve is free from political pressure, but it must answer to Congress and explain its monetary policy.

Example

What triggered this work was an interview by a French journalist with thirty top Japanese businessmen. And I asked them all a question: Why wasn't the sheng a reference currency? And they all answered that to be a reference currency, you have to be a rich country. And rich countries are those with available stocks and processing capacity. Japan, on the other hand, only has processing capacity. From that point on, I said to myself: Ah! These are prosperous because they have a clear concept of wealth. And from there, I began to build this framework we're talking about. It has something to do with macroeconomics and wealth. Let's imagine two countries: one has a GDP of one hundred, the other a GDP of five. The country with a GDP of one hundred has been processing and using 30% of the steel produced in the world for the last twenty years. Let's suppose the poorer country makes a great effort and reaches a GDP of one hundred, equaling the first. Which of the two is richer? Obviously the first, because it has accumulated in the form of scrap.

five times the world's steel production. These stocks and infrastructures, accumulated over time, generate asymmetries that, when one speaks of macroeconomic figures, even if they are equal, may be comparing apples and oranges. These accumulations, which today would also have to be added to the intangibles of intellectual property and knowledge, imply asymmetries that, if not taken into account, can lead us to make glaring errors. This is why we say that the phenomenon of transculturation can take these parameters as true guideposts and embed profound errors in the subject matter.

It's interesting to note that all the countries that were stellar in the modern age have maintained significant positions in the global economy: France, England, Germany, Italy, the United States, etc. The entire previous reflection also has an economic perspective. Let's imagine a country with a reference currency. This allows it to issue paper and exchange it for tangible resources. This always puts it in a position of power, because the day the resources are demanded for the paper it issues, the resource's price will likely rise.

This mercantilist view of using currency as a way to guarantee the resources our society needs is not widely shared by some thinkers. But the end result is that, thanks to this possibility, they accumulate resources in their territories, creating a wealth of material reserves that allows them to better cope with crises.

Although this is not accepted by everyone, I undoubtedly believe that in rich countries there is a strategic use of currency to guarantee the way of life of those societies.

Conflict resolution

As we have stated, there are three actors in society: people, businesses, and the government. All of them are necessary to build a country, generate well-being, and create opportunities. Generally, each of them assumes that being functional to their role is sufficient. What does this mean? Workers think that better jobs mean better wages; business owners maintain that a good product with greater demand corresponds to a higher price; the government believes that better assistance gives it the right to charge higher taxes.

Fortunately for the system and unfortunately for each of the aforementioned actors, within a social conglomerate, we all need each other. This creates a space for negotiation within which we must all coexist. The participation of each actor in this space and in the external reality will constitute a vector of growth. This is where an operational research challenge arises, which we maximize.

Our mandate is based on wealth, therefore we will maximize it through growth. So the three actors of the

The basis of our vector must find a resolution to the conflict that maintains or increases our mandate: global wealth. Here, the need for a mandate arises because no social actor is going to consciously and rationally demand that someone become impoverished and/or suffer. A constructive way to set limits for the other person or the other sector is to be clear about what happens to us in our interaction with the other and to express this in numbers.

This is essential for everyone to coexist: sharing a commandment and subordinating ourselves to it will allow us to maximize the vector of growth. What has just been explained is a basic axis of our work.

The goal, then, is to find a way to meet the expectations of all stakeholders to some extent, resulting in an increase in available stocks and transformation capacity. This is arduous work, with greater restrictions and difficulties; perhaps finding that path will be based on innovation, creativity, and effort. Thanks to all this, we will prevent the triumph of intellectual dishonesty, cannibalism, and corruption (diseases that impede our development).

Correlation between different psychological, anthropological and sociological theories and our economic growth system

As we have said, for economic growth to exist, we propose a critical mass of people aligned behind a content, called a commandment. These people's understanding of this content can be structuralist or behaviorist. In turn, within the universe of these people, there are people in prematerial states, others at the interface, and others with a mix of material and immaterial desires depending on their internal world. We believe that people, institutions, or companies in prematerial stages tend to exhibit reward-punishment behavior. I want to clarify that this prematerial situation is not just an indicator of an individual's wealth, since that individual may have a workshop worth five hundred thousand dollars, but to be competitive, they need to invest a million dollars more. This person, according to our model, will exhibit behaviorist behavior. In prematerial societies like ours, most people, companies, and institutions are in prematerial stages and therefore require a clear dimension of rewards and punishments. We have already explained that written laws and regulations do not include interpretation. To interpret them, it is essential to have a scale of values, which in our case is associated with the mandate. It is essential that the interpretation of this scale of values be in the hands of officials, businesspeople with a structuralist mindset, which allows them to remain within the scope of feasible solutions. And I believe that

Structuralism is associated with stages that surpass the interface point. That's why when one has a salary scale in the public sector, the officials who have to interpret it—and make decisions based on it—must have incomes that allow them to stay above the interface point. I've seen, to the dismay of this idea, that in times of crisis, many politicians propose lowering the salaries of senior managers and freezing salaries for hierarchical cadres, leading them to a pre-material situation. As a result, they began to have a behaviorist worldview. And within this framework, it's very easy to fall into the disease of transculturation, with social costs infinitely higher than those supposed savings in salaries.

Our proposal is to identify, within the universe of people who will have to manage economic growth, those who have structural thinking and those who have behaviorist thinking. It is important to note that we are talking about percentages and sets. For example, we may have a person in a pre-material stage who has structural thinking. They may be an idealist, and their passion for their ideals may be more important than income. We may also have a person in a material stage who has behaviorist thinking. This universe includes dogmatists, fanatics, and fundamentalists, but the vast majority of our hypothesis will be fulfilled. Below are concepts extracted from works on structuralism, behaviorism, and their thinkers.

Behaviorism or Behavioral Psychology: stream of psychology

A psychology that advocates the use of strictly experimental procedures to study observable behavior (conduct), considering the environment as a set of stimulus-response mechanisms. The behaviorist approach to psychology has its roots in the associationism of English philosophers, as well as in the American school of psychology known as functionalism and in Darwin's theory of evolution, since both schools emphasized the conception of the individual as an organism that adapts to the environment.

Functionalism: theory that views society as a set of parts (usually institutions) that function to maintain the whole, and in which the malfunctioning of one part forces the readjustment of the others.

The idea that society consists of a set of related institutions that work for the benefit of the system as a whole dates back, in modern times, to the writings of Machiavelli, and was developed by Montesquieu and the Enlightenment.

In the first half of the 20th century, functionalism was an important theoretical model for conducting anthropological studies. Malinowski, based on his field research in the Trobriand Islands, devised a theory of culture that explained the existence of social institutions by

their capacity to satisfy human psychological needs. Radcliffe-Brown's structural-functionalism reacted to this view, arguing that the functioning and existence of social institutions should be explained in social terms, rather than reduced to psychological motivations. This view was developed around the study of small, self-sufficient social units, in which it is relatively easy to assume a functioning system as a whole.

Because of its emphasis on maintaining the system, functionalism has sometimes been criticized for appearing to be a reactionary ideology. Of course, in the study of complex societies, it is difficult to apply functionalist models, especially in class societies that place great emphasis on conflict, although attempts to apply systems theory and the sociological work of Talcott Parsons have yielded important models for understanding functionalism in complex societies.

Gestalt Psychology: It is a school of thought within modern psychology that emerged in Germany in the early 20th century. Its most recognized exponents have been the theorists Max Wertheimer, Wolfgang Köhler, Kurt Koffka, and Kurt Lewin. It is important to distinguish it from Gestalt Therapy, a therapy that represents the humanistic school of thought founded by Fritz Perls and which emerged in the United States in the 1960s.

The term "Gestalt" comes from German and was first introduced by Christian von Ehrenfels. It has no single translation, although it is generally understood as "form." However, it could also be translated as "figure," "configuration," and even "structure" or "creation."

The mind configures, through certain laws, the elements that reach it through sensory channels (perception) or memory (thought, intelligence, and problem-solving). In our experience of the environment, this configuration takes a primary character over the elements that comprise it, and the sum of the latter alone cannot, therefore, lead us to an understanding of mental functioning. This approach is illustrated by the axiom that the whole is greater than the sum of its parts, with which this school of psychology has been most frequently identified.

Editorial Croquis 2009

Background, logic and origin of the system

Editorial Croquis 2009

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This is the result of a story

In this chapter, we will attempt to explain how history, family, education, and so on result in a way of thinking and processing situations, actions, and decisions, which is what this book attempts to express. This perspective is important because it allows us to reach conclusions from a perspective of experience rather than from a logical sequence of reasoning, something that will facilitate the understanding of the text for many people. To this end, we try to confront, analyze, and question, every minute of their existence, the why, the how, and the when of all the events the author witnessed from as early as they can remember. This intense work has resulted in this work. It could be compared to a thread threaded through a needle, the needle itself being responsible for assigning it a practical use. Of course, it could have been threaded through a sewing machine, but that wasn't the case.

We consider the explanation presented below to be important since we do not arrive at the conclusions drawn from it through an academic path but rather from a constant exercise of comparison and reflection on the results of actions with respect to the outside world.

Way of thinking and its consequences

When he began school (aged six), the author began experiencing learning difficulties. His mother, a psychologist and teacher, sought out professionals to obtain a diagnosis. The experts arrived at a diagnosis, stating that the problem was called dyslexia. The dictionary defines it as the partial inability to read with comprehension or difficulty reading, caused by a brain injury. In this case, it manifested itself in poor handwriting, poor spelling, and the inability to write complete sentences. The treatment at that time consisted of attacking the problem from two angles: one psychological, through therapy, and the other pedagogical, with a psychopedagogue.

In these early stages, the author met people like "Negra" Berasturi, who, along with Enrique Pichon Riviere, was in charge of the diagnosis, and Jorge Bisca (pedagogue). One explanation for the cause of dyslexia was that the patient thought faster than his motor system could execute.

Thus, at the age of six, the author began to have access to psychoanalytic dialectics and some pedagogical exercises. Despite all this, the reality was that after twenty years of analysis and trying to resolve this problem, the dysgraphia, dysorthography, and writing problems persisted. So much so that to create a text, the author needs a human interface because if he writes, he doesn't think. And he had to live with this limitation.

Another ingredient that added to the problem was the need to

understand or have an explanation about the origin and causes of everything. At eighteen, while the author was in Spain, he approached the Royal Spanish Academy to see if there was a dictionary that explained, in addition to the meaning of words, why they were spelled in certain ways. They were just starting to do so and were on the letter A. In childhood, this way of reasoning caused many problems, because if they said a word was spelled with H and B without giving a valid reason, I felt I had the same right to write it without H and with V. I don't know if this issue has to do with an authority problem, but it still happens to me often.

Another constant behavior in the author's life is that he measures reality by evaluating the results of the actions and decisions he makes. In this way, he provides feedback and adjusts the reasoning used for those actions and reflections. This behavior is painful and risky, but it has the advantage of instilling great self-confidence in oneself that one will solve problems. It also helps to overcome the fear of the "outside," which expands the world and its possibilities. A little secret: at a very young age, my father gave me a very important Meccano set along with a steam boiler. In my constant need to build objects, I decided to combine the two elements to make a steam car. I tried to solve the connection between the locomotive and the steam engine in countless different ways. My father, seeing me obsessed, tried to explain to me that it was impossible to overcome the friction of the system and the transmission of forces with the small forces of the boiler, trying to discourage me. With my usual stubbornness, I found a combination of a cotton thread with two turns around the pulley and a certain tension that made that strange vehicle work. The joy of having solved it was endless. Today I still face the same problem: I constantly pose a problem, and it occupies a large part of my brain cells until I manage to find a solution.

Conclusion: As long as I'm provided with valid justifications for the causes of things, I stick to my ideas. If I have a concern, I don't stop until I find a possible solution. This surely has to do with the sheer number of years invested in therapy and psychoanalysis, since one of its tenets is that understanding a psychic phenomenon calms the anxiety it produces.

History

I knew three of my grandparents: Jacobo Benzacar on my father's side, and Gabriel and Judith Issaharoff on my mother's side.

Jacob was extremely enterprising; he immigrated from Smyrna with Baron Hirsh. He settled in Ceres, in the province of Santiago del Estero, where he set up a general store. He died in the province of Salta. Throughout his life, he was very active and enterprising.

Gabriel Issaharoff came from one of the wealthiest families in Samarkand. With the advent of the Russian Revolution, he chose to emigrate to Argentina. He made that journey with my great-grandmother Gipsy and my grandmother Judith. They both had relatives here. This grandfather was supposed to have been an engineer; he tried to study in Germany, but the political instability of the time prevented him from doing so. He spoke the language of his hometown, Hebrew, German, French, Spanish, and English. He was extremely refined and religious.

Gabriel owned a bridal chiffon manufacturing company in Argentina; there were times when he did very well and others when he didn't. He always felt mistreated within the textile community, given that payment terms and quality standards in this industry are incredibly flexible. Being an "English Lord," these minor indiscretions caused him a significant amount of anger and anger.

My grandmother Judith Issaharoff was very pretty, had a remarkable intelligence, and at eighteen she married my grandfather Gabriel, who was about twenty years her senior. She chose him because all the boys she had contact with seemed crude, ignorant, and primitive. She was always interested in community issues and social leadership.

From the combination of these characters, my father and mother emerged. Samuel Benzacar was the first son after four daughters (my father had six brothers in total), and thus received differential treatment. He attended primary school in Ceres and secondary school at the Sacro-Technical School in Tucumán. A few years later, he earned a gold medal in agricultural engineering from the University of La Plata and began working on farms where Zionists were preparing to go to work on the kibbutzim in Israel.

At eighteen, my mother hadn't yet finished high school, but she had been active in the Zionist Youth movement, pursuing an extracurricular career in adult education. She finished high school after she was married and had children.

These people meet through these community activities and get married. My grandfather Gabriel helps them buy an apartment, and it's at this point that the family's reality begins to sift through fantasies, realities, and idealisms. For example, one day my father tells my mother (a very Zionist, a supporter of that discourse) to choose between us going to live in Israel or staying in Argentina living like Argentinians, because he maintained that thinking one way and living another wasn't valid. Right there, a family fantasy ended.

My father began to figure out how to support the household. He tried working with my grandfather, but it didn't work out. In his search for something independent, he decided to share his anguish with a jeweler neighbor named Sargón, who suggested he get involved in gold recovery. This man claimed that all the jewelry stores on Libertad Street had a high gold content and were throwing it into the street. With this argument,

He managed to convince my father, and thus began his first independent venture. From those years, I remember that Samuel came to own several gold bars, which meant he did very well in business.

At this point in the story, I want to point out that the family's financial situation was not comfortable. All of their ventures always had a large dose of fantasy in their beginnings, followed by an equally large dose of ability to resolve the issues between fantasy and reality.

Around this time, my mother was preoccupied with the chores of being a mother, and I don't remember exactly how, but the possibility of producing and exporting horse meat arose. My father decided to pursue this project with his brother, Cholo, as a partner. These were the days when Los Chalchalers sang an allegorical song that wondered how a countryman could kill a colt he had raised and that had been his companion. Because of this, Argentine fields were plagued with old horses, useless nags that no one would slaughter for emotional reasons. These animals took the place of cows. To solve this problem, meatpacking plants emerged to export horse meat, which is consumed in countries like France, Holland, and England. The first to discover this panacea, where the raw material was given away to clear the fields, was a European family. At that time, the cost of slaughtering an animal was covered only by its hooves. With that tremendous profit margin, my father was able to concentrate resources at an unprecedented speed. By the early sixties, the company had already reached a significant size (three meatpacking plants) and was competing for raw materials with the number one in the business, the competitor's meatpacking plant, which led to price increases. Since the owner of the plant was a close friend of Illia, he managed to change the Federal Meat Law (intellectual dishonesty). Given this situation, my father was declared rancid in the meat of a shipment of 3,000 tons (a full boat), and with this maneuver they managed to cut off his liquidity, since he couldn't ship and collect the 3,000 tons. They attacked him operationally, closing the meatpacking plants because they didn't comply with the new regulations, changed the day before and without prior notice. Here we can consider the presence of two of the economic diseases defined in this book: cannibalism and intellectual dishonesty.

My father fought, he didn't file for bankruptcy, but we went from having five cars to having to make do with just a Renault Gordini. Samuel began looking for new opportunities to start new businesses.

During the period of opulence described above, we moved from Añasco and Yerbal Streets to 351 Valle Street, in the Caballito neighborhood. Both my father and mother were supporters of the concept of public education and didn't want us to be contaminated by the vices of the wealthy of the time. So much so that we were raised in this middle-class neighborhood, albeit with some peculiarities. We lived in the second apartment of a shack-like house.

It had been remodeled by a young architect (Yacardi) who proposed a decor thirty years ahead of its time. All the furniture had clean lines, absolutely everything was designed.

During that time, another of my family's important goals was to marry Aunt Jane off. She started dating a young man who worked for the Communist Party and also took up the party's banner. She was dedicated to selling the works of art donated to the Party by artists such as Berni, Castagnino, and others. The only family victim of these sales was my father, who was somewhat sensitive about the issue and had also adopted two artists by then: Anadón and Abreu Bastos, whose works I currently own. Abreu Bastos is Spanish and came to Argentina fleeing Franco. The best memory I have of him is a competition he had with my father to see who could make the best paella. Following my father's classic style, we bought the largest paella pan and invited Abreu to cook the meal. He made a list of the necessary ingredients, they were purchased, and he got to work. After carefully observing everything the painter had done, my father proposed a challenge: he would make the next paella, to which everyone was invited, and then they would decide which of the two had been the best. My father had considered that Abreu was very judicious with his use of ingredients in cooking (probably because they were very expensive in Spain), handling them with great care. Regarding the original recipe, he then decided to triple all the proteins. Obviously, my father was a resounding success, and I gained my first learning curve in marketing.

At the same time, it's worth noting that Abreu owned a small hotel in Villa Gesell, which became our summer retreat. There, our stay often coincided with that of an illustrious visitor: Enrique Pichon Riviere, one of the fathers of psychoanalysis. A man of unusual culture and intelligence.

Returning to the economic issue, the setback suffered by my father was caused by his opponent's need to maintain profitability and his inability to recognize his limitations (a struggle between a pre-material industrialist and a material one). My father faced this abysmal disadvantage with pride and naiveté. Instead of prioritizing his accumulated wealth and the responsibility it generated for his workers and family, he focused on the competitive aspect, neglecting to take into account the countless factors that would have been necessary to evaluate in order to reach a successful conclusion (maintaining his overall wealth). In other words, what he possessed was great drive, a significant capacity to meet proposed objectives, and a significant organizational advantage, but he lacked a strategic vision of his weaknesses. Had he been mandated to preserve his overall wealth, he would have explored other possibilities, since the other family valued this competitor's tenacity, drive, and initiative; in fact, they offered him

participate in the club. My father took this as an insult and started a war he wasn't prepared for.

As a result of this economic disaster, my mother began selling the artwork we owned; thus, the Ruth Benzacar Gallery was born.

At the same time, my father began exporting pickled vizcacha to Japan, but since vizcacha is hunted with a shotgun and those preparing it forgot to remove the pellets, the business quickly collapsed because the food was contaminated with lead. After this experience, my father attempted to export Ford Model Ts to the United States while building a beef slaughterhouse in Tucumán with a partner. This initiative also failed: after arguing several times with his partner, he decided to abandon the project and embark on the construction of a boutique slaughterhouse in Santiago del Estero during the time of the Río Dulce Corporation. During these years, the province had its own slaughterhouse, La Isla, which did not meet the export standards of the time. My father was unable to obtain credit for his boutique slaughterhouse because the province decided to recycle its own slaughterhouse.

While making all sorts of arrangements for the project, an old college friend showed my dad some elephant grass. My father immediately asked him where such specimens could be found and decided to set off. It turned out that the fields belonged to a man named Donadeu, whom they managed to contact.

At that time, we had a plot of land one block from our house on Valle Street, where my parents were planning to build a new, larger house. My father decided to sell it, but that money was only enough to pay Donadeu for half of the land; God would provide the other part. And a miracle happened: Onganía, the president at the time, decided to develop a plan for planting vineyards. Lo and behold, trellises made from carob tree poles called rodrigones were used for their construction. Whether by chance or coincidence, the fields we had just purchased contained millions of these rodrigones. Thanks to them, we were able to pay off the entire plot of land and buy a new house on Talcahuano Street in Barrio Norte.

By then, I was around 17, and my mother had become a renowned gallery owner. Every Friday, gatherings were held at our house, attended by the greatest figures of the intellectual establishment: Romero Brest, Pichon Riviere, Le Par, and others. In winter, wine with orange and cinnamon was served, a small stage was set up, and a prosperous industrial bourgeoisie was allowed to debate. Meanwhile, every wall in the house, decorated in a highly advanced style, was covered with paintings.

From then on, there were two clear activities: my father led the agricultural and forestry sector in Santiago del Estero, and my mother remained at the forefront of cultural activity with her art gallery. After the success of the rodrigones, we had another brilliant moment with the supply of railroad ties.

With the advent of forestry, my father offered my sister and me a chance to participate in the marketing of the products produced in the fields. These products were sold in Buenos Aires and transported only by rail, the most widely used means of transportation at the time. So much so that we partnered with some people who had a warehouse right next to the tracks. The company was called Capelete Benzacar Hnos. y Lafite SRL. This venture, which coincided with my eighteenth birthday and the beginning of my engineering degree, allowed me to have a pilot plant where I could align the relationship between reality and my fantasies, accomplishing many things for the first time in my life: exporting to countries like Saudi Arabia, the Netherlands, and the United Arab Emirates; developing marketing in supermarkets; manufacturing quebracho furniture, etc. I began to realize how difficult it is to concentrate resources and convictions, since I wanted to automate all the work, which required a significant investment, and we didn't have access to any credit.

Let's go back to my six years. As I've already explained, dyslexia manifested itself at a very early age, and this led me to work with a therapist and a psychopedagogue. These two experiences were very important in shaping my thinking. As a matter of principle, my parents preferred that I attend public primary and secondary school in Caballito. As a result, I always suffered from a lack of understanding on the part of teachers, since at that time dyslexia was not a widespread disorder. This forced me to constantly confront ignorance and prejudice. This allowed me to understand these two disorders at a very early age and try to overcome them to achieve success. While one aspect of my life took place in a world of serious limitations, the other was at the forefront of new knowledge. Through another avenue, I coexisted with psychoanalysis, pedagogy, and the best of the intellectual movement of that time thanks to my mother's cultural activities.

Another interesting point is that in my family, we always shared the good times and the bad; this meant that, in a way, we worked as a team with my parents to develop the goal of survival first and then the realization of dreams. From this stew of which we were ingredients, we saw the struggles to survive, to carry out projects with all the nuances there were and will be. I think this school of pursuing dreams and trusting that we will overcome adversity and resistance through our own attributes (knowledge, tenacity, imagination, will) gave my sister and me a rather unusual degree of freedom.

In my family's values at the time, being industrial, producing goods, and generating products was the right thing to do. Thanks to them, I began to get involved in trying to make objects. I started with a ball-bearing cart, then I put a sail on it and it worked. Then, with a four-wheeled skateboard, I made my first skateboard and used it in Plaza Francia. Later, I became interested in electronics and started going to a garage owned by a man who repaired televisions three blocks away.

home. This seemed interesting to me, and I took courses at the Argentine School of Radio and Television. After that, I went to work with Jorge Parera Sonidos. We manufactured amplifiers; he did sound for shows and had a music recording studio. I loved that job, but the reality is that all my attempts at building devices were unsuccessful, and when I went to work with Jorge, who produced devices and made them work, I realized that my entrepreneurial spirit wouldn't be able to express itself in electronics, since the country was flooded with imported, second-rate materials that didn't meet specifications. Because of this, making any device work was extremely difficult. Thanks to this experience, I decided not to become an electronics engineer and embraced the idea of becoming an industrial engineer. During that time, there were some experiences that left a lasting mark on me. My parents had become friends with Jorge Sábato. He was the founder of the National Atomic Energy Commission and was an exceptionally lucid person. He talked about industry standards, and that the first to achieve was automotive, the second aeronautical, and the third, atomic. Obtaining them meant increasing the value of the products and market opportunities. He told fascinating anecdotes about how some countries and large companies in technology transfer negotiations would try to stall him when he traveled and try to close the deals on the last day, which would have made the process mediocre or nonexistent. Jorge spent his vacations in Cortaderas (San Luis), as his father had a farm there. I remember him talking so much about that place that my parents decided to go one summer to that natural paradise. We stayed in a hotel at the foot of the Comechingones hills, and at midday we usually went to Jorge's father's house for barbecue. At that time, there was no rural electricity, and in the house, they used a domestically made Winco generator to provide light. One morning we arrived and saw Jorge, his father, and the second-in-command of the National Atomic Energy Commission staring at the generator, which refused to start. Then my father, playful and sympathetic, seeing the lack of initiative of these mega-officials, told them that if they acted as operators, he would assume the responsibility of fixing it. If he couldn't, he would pay for the repair at the town mechanic. The two men agreed, and by noon they were covered in grease from head to toe. The diagnosis was carbonized cylinder heads; they removed them, cleaned them, and the generator started. This anecdote was revelatory for me, as I discovered that the one who assumes responsibility is the one who has the authority.

With no small amount of difficulty, I managed to finish high school, and in the meantime, I discovered that sailing is an activity that fascinates me. Again, this family mandate to pursue dreams arises here, as I had never been on a sailboat, but it was something that, when I saw it from the Costanera, I knew I would like. At the time my father bought the farm in Santiago del Estero, he would spend a lot of time away with my mother to help set up this project. Then something happened that also helped my development. When they left, they left us with two very trustworthy maids and the household money.

My sister and I managed it. I think it was due to this repeated neglect that during one of those periods I decided to build a raft. I don't remember how or where, but I obtained four 400-liter drums. On the other block, we had, as I said, a piece of land that was going to be our future home, which had pine floors. Slowly, I raised the floors and used them to make the raft's platform. My hardware store owner had already given me a checking account; he'd discovered a man who made hoses and clamps, screws and bolts, and he was helping me. Thanks to all these suppliers and the money I managed, I built the raft. One summer day, I decided it had to be launched. I located a truck driver who delivered paint, told him I wanted to take the raft to Tigre, that I didn't have enough to pay for the entire trip, but that I would pay the rest later. My dad was taking a nap; I peeked into the room and told him I was going to launch the raft. I guess he was half asleep, because he said yes. Since the raft was made of modular elements, we loaded the parts with the truck driver and arrived at Tigre. I looked for a place to unload it, on the shore of the Reconquista River. It was shallow, so I unloaded the things from the truck to assemble the raft, and then the river rose and things started to leak out. Luckily, I managed to tie everything down and assemble the device. I didn't put on the sail because we had to cross some bridges to reach the Luján River. By now, it had already fallen night, and the Reconquista River was rising and the Luján River was downstream, so I started to tow the raft by swimming. It was a warm, starry night, but there are boat docks on the Reconquista River. A man suddenly saw something floating approaching and went to the shore to see what it was. He flashed his flashlight at me, I approached, got out of the water fully clothed, and asked this good man if he liked the boat. The man asked me where I was going, and I told him my first stop was an island in the Río Capitán. He asked me if I had oars and life jackets, to which I replied no. He said, "Wait a minute," went into his house, and appeared with an old oar and life jacket. He recommended I wait half an hour for the current to change; that when I reached the Luján River, I should wait until 2:00 a.m. and then cast off, because the current would surely change again at 3:30, taking me to the Río Capitán. Meanwhile, my mother had come home, asking for me, and my father must have told her I was launching the raft. My mother, desperate, located the truck driver and left with Abreu and Dad to look for me in Tigre. That night, the first guerrilla takeover by the Montoneros took place, so when my mother went to the Prefectura, they almost killed her, mistaking her for a Montonero member. In short, at 2 a.m., when I had cast off to match the current, I heard my parents' shouts. I had already realized that the project was not feasible. I approached the shore, We tied up the raft and the next morning we towed it to a friend's island where it ended up as a floating dock.

I'm starting to see how I can get into sailing, of course, doing it my way, the hard way. I explored the coast and found a small, solid wooden hull with a shed at the Yacht Club.

Río de la Plata. They sold it to me; the club's Commodore gave me the end of a cabin boy's pole, and with that, I built my first boat. When I finished building the boat, we launched it, and the club's Commodore explained to me that "this is tacking and this is rounding." That was the end of my course. Thanks to Providence, there was a man at the club who had a good boat, Don Quixote, who explained and taught me the nautical language. In the club's library, I was able to read books; once again, confronting reality with knowledge, I learned the concepts and principles quite solidly. I recognize, in retrospect, that it would have been better to take a nautical course at a club, buy an Optimist or a Penguin, and start sailing these boats. This would possibly have made me a better helmsman, but it wouldn't have allowed me to acquire the technical competence I acquired with these objects.

After that experience, the family architect, Yacardi, told my father that there was another architect, named Ancarola, who was going to build a quarter-ton boat, a design by Ron Holland, who had been a world champion in that category. In partnership with Yacardi, we went to buy one of these boats. I don't remember exactly what happened, but in the end, my father bought the boat himself and gave it to me. The truth is that I went from sailing a quarter-ton boat to owning one owned by a wealthy gentleman. Once again, I had to begin my apprenticeship, as the boat had cabins, bathrooms, etc., and required other types of maneuvers. Fortunately, the product was solid and withstood all my inexperience with great dignity until I became a reliable sailor. As you can see, these passions almost turned into obsessions, with the good, the bad, and the risks involved. Overall, there was a very poor assessment of the risks on the part of myself and those close to me, possibly due to ignorance, but I had placed tremendous hope that it would be possible and that it would be resolved. I believe this is the quality that in some ways allows me to approach issues with risk.

Another line of work is industrial. As I said, I previously worked in audio and sound. I even did home electrical repairs. Later, when I had the lumber company in Villa Adelina, I exported charcoal, made furniture, made tennis balls, tried to sell a sleeper-based cabin construction system, tried to automate the charcoal bagging system, and built machines. One day at the charcoal factory, a man who worked quebracho appeared. He offered us a partnership. Despite his insanity, the guy was capable of building machines with bicycle wheels; he possessed unusual mechanical freedom. The truth is that this exposure to that talent would later serve me well in the hanger factory many years later. In the charcoal factory venture, I had many partners and thirty employees. We had managed to organize distribution in all the supermarkets, but my partners didn't want to grow in the direction I was interested in. With them, we bought an island in Tigre and a boat. I wanted to make an automated charcoal packaging plant, because the production style and productivity we had

It was a pre-industrial era. Since they weren't accompanying me and I was close to graduating, I was also clear that if I didn't earn a professional management degree, the door to corporate jobs would be closed to me. I decided to pursue a professional career, sold my share to the partners, and went out looking for work. Being good friends with Pablo Madanes, whose family owned Aluar and Fate at the time, I asked to work for the company. Luckily, they agreed, and I started as a cost analyst. Later, I became a buyer of industrial supplies at Kicsa, then moved to Pehuenche, the group's plaster factory; there I worked in Sales, Product Development, and from there became manager of Material Resources at Cincotta. It was up to me to purchase everything from invoices and counterweights to cars and branches—in other words, everything that was goods and not merchandise. After completing the first stage of costing, at Fate, my entrepreneurial side emerged again. I remember that enameled iron lancets were placed in Kicsa's smelting furnaces, through which oxygen was circulated to create bubbles in the casting. Here, I proposed using stainless steel, which had a higher melting point and didn't need to be enameled. I went out on my own, bought some test pipes, sent them to the plant, and they used them. To this day, I remember the screams from the production manager because I had contaminated the alloy with chromium. From then on, I was a little more cautious in my attempts at innovation. During that time, I developed mechanical projection machines at Pehuenche and developed gypsum-based paints. At Cincotta, I defined the technology for rubber machines and helped suppliers develop them, where the goal was simplicity and efficiency. Until I went to work for a film production company called Madefilm. Before continuing the story, I want to share a couple of anecdotes. At 18, I was an entrepreneur, had 30 employees, and saw the problems of productivity and efficiency. On Sundays, we would have tea at Pablo's house, and Manuel Madanes, a prominent national businessman, would be present. I would speak to him as a businessman to businessman, consulting him about my problems. He always treated me with great affection. By the way, I had never worked or visited a large company. When I started working at FATE and saw what it was like, I felt deeply ashamed. But this man was also a role model for me. He built the empire from a geopolitical and strategic perspective and showed a path different from that of dreams or imagination. He had a logical and rational framework for everything; from there, he built his story. Perhaps he was amused by my passion and self-confidence, but the truth is that when I saw what this man had built and how I had treated him, I was ashamed of my impudence.

Another interesting experience was at the coal yard when a customs agent appeared representing a Syrian businessman who wanted to export coal to Saudi Arabia and England. He asked me if I was up for it. Of course, I said yes, but that my problem was working capital. We agreed that I would start copying and that he would reimburse me for what I had

I was doing it. I don't know if it was out of convenience or trust, this good man advanced me thousands of dollars, which I managed to meet the objective. And when we had to ship, containers didn't exist, so we hired about ten trucks to transport the merchandise from the Villa Adelina warehouse to the port. I looked for porters at the Boulogne station. I remember that once inside the Torino, I hired ten sturdy workers, and they all squeezed in very tightly. The truth is that all this happened to me at a very young age, and for some strange reason, it generated confidence. This project, which excited me, lasted until Martínez de Hoz revalued the currency and internal costs; then our costs exceeded those of our competitors. Here again, I suffered from the revaluation of the currency and the lack of credit for bagging technology and working capital. Furthermore, the existing infrastructure nationwide was inefficient; of the ten trucks we hired to make a 10-km journey, one always broke down along the way. As a result of these experiences, I realized that we, entrepreneurs and business owners, are a barometer of society, as we suffer from all of its shortcomings. I believe this is why the entire political sector chose to discredit us, as we don't get votes, and the list of requirements is almost endless. Of course, following this line of reasoning, it's much easier to address social plans than to satisfy the needs of a business owner. Furthermore, these social plans can be translated into votes...

When I joined Cincotta, my position was Material Resources Manager, replacing Juan Cincotta, one of the sons of the company's founders. It was primarily a marketing company, managing around 50 branches that distributed FATE (a tire manufacturing company). It had 100 vehicles, 50 buildings, and 300 employees. It was structured as a general management team, an administrative management team, three regional management teams, and a Material Resources management team, which was my own. The reality is that Juan Cincotta was constantly being battered by the sales force, which took advantage of any ineffectiveness or error by Material Resources Management to justify their inability to meet sales targets. In this role, I learned how difficult it is to deal with human beings and the universe of pettiness that surfaces when there's even a little money and power around. My strategy was to get ahead of the problems; prove that my responsibilities hadn't been resolved because of the users' fault, and when they tried to prove that the sale wasn't because the balancers weren't working, I explained that every morning I went to the regional managers' offices to ask if there was a problem, that once a month I called the branches to check the status of the machines, and that I was also available to all branch managers. If despite all this they weren't attended to, it was due to their negligence. Once this situation was proven, the noise in the sector decreased drastically, and I only had to do the tasks that corresponded to me well. Here one of the

An interesting topic was the fact that many commercial issues with suppliers required reviewing records, and these were generally payment receipts, which management collected and filed in a manner that had nothing to do with my need for information. This situation meant having someone constantly searching the archives for information. To resolve this, I photocopied the settlements I downloaded to management, and with this information organized by date, I had a much faster commercial and administrative response speed. An interesting issue that arose at Cincotta was that during one of the Argentine crises, when we were building four branches, the general manager ordered me to halt the construction. I could have followed the order literally, but the reality is that these projects were at different stages of completion: one was missing 20%, and therefore the 80% already built was frozen. So I used the criterion that I would discuss the ones where we invested 50% and finish the others, because it was ridiculous to halt them. In this case, following our economic theory, I maximized overall wealth because I brought into production things that would otherwise have been lost: because an unfinished project is worthless. If I have a piece of land with a half-finished house on it, only the land is worth it; if I have a finished house, the land is worth the house as well.

Another important topic was the power they gave me when I joined the company. By acquiring shares in the company, I could buy and sell everything it held. To this day, I'm amazed by the trust they had in me. Thanks to the excellent information system I had and cost management, meetings with Engineer Tiste, the general manager, never lasted long. He would set a goal, and I would ask him how much he wanted to invest to achieve it. Based on the amount he gave me, I would calculate the quality of the results we would obtain. There's also an interesting anecdote. Tire shops used a number of tools (screwdrivers, wrenches, etc.), and those tools had to be replaced every month. We compiled statistics on them, and I noticed their useful life didn't exceed three months. Given this reality, we decided to buy good-quality tools, but not long-lasting ones, since I would have to replace them after three months. And so, I adjusted the cost of the tools based on their useful life. Having arguments to support that quality and not another. Ultimately, I tell this anecdote because the investment decision had to do with the longevity of the object we were going to create. That's why when I see the Public Administration buying laminated chipboard desks, which with luck can last a year, it's impossible not to be outraged, because it's known that the civil servant's tenure will be longer than that, and they deserve to have objects with a longer lifespan. Rather than solving the problem today and increasing expenses tomorrow.

An interesting theme of the group was that it was highly regarded to discover and provide talented human resources; competition based on

The problem with this was that promotion wasn't achieved through hacksaws and intrigues, but rather through efficiency and productivity. But the problem with this was that promotion wasn't achieved until the death of one's superior. Because of this, I migrated to a venture called Madefilm, whose objective was to establish itself as a film production company. Its director was Raul de la Torre, and the main shareholder was my friend, Pablo Madanes. I thought it was an interesting adventure, and we headed in that direction. In the meantime, I supervised the construction of my mother's gallery, and by then I had already built a significant amount of square footage. At Madefilm, I worked as an apprentice production manager, immersed myself in the world of film, and began to clash with Raul de la Torre. He said that anything could be filmed in Argentina, that everything was available, and I, not being in the industry, believed we didn't meet any international standards. I had a heated argument with this gentleman and ended up traveling around the United States, exploring the range of filming services and technology available. Obviously, I was right about that, but in my exchanges with some people involved in that project, I discovered that in the developed world, talent is what counts most. An American producer told me: "Give me a good script and the rest will follow." Based on this comment, I proposed changing the company's profile and shifting to generating talent products (scripts) and training national writers to write them. Unfortunately, our main shareholder's patience ran out before I could embark on this new path. But from this experience, I was able to grasp the importance of talent and production costs. In a film, half the cost goes to the screenwriter, the director, and the artists, and the other half goes to the cameras, sets, etc. As always, I thought, one has to be in the place where one can obtain the greatest density of wealth.

After leaving Madefilm, thanks to my very bad relationship with Raúl de la Torre, my mother, who at the time was a renowned gallery owner, put me in charge of managing a foundation dedicated to industrial design called Munar. This company was founded by my mother with a commercial objective, which was to sustain the value of contemporary art by showing an applied version of it. For example: if I have a painting and it serves as inspiration for a tie pattern, and the person who wears that tie becomes rich, they will likely buy the object that inspired the pattern. Furthermore, it endorses the existence of that object. This is because art is not disconnected from commercial and economic reality; art is another input in the process of generating value and inspiring talent. A designer doesn't just come up with things because they were born out of a cabbage; they are attacked by a number of factors that influence their inspiration or reconceptualization of those ideas. The idea of this foundation was to generate excellent design; there was a group formed by Benedít, my mother, some other artists, and me. The goal was to produce products with excellent design so they could be manufactured by the national industry. Somehow, we managed to interest a group of students.

Industrial design professionals brought us their ideas, and we tried to find a sector of the industry willing to implement them. We had very few achievements, and the best industrialist in the foundation ended up being me, making knives, keychains, mates, straws, chopping boards, etc. This activity highlighted two problems: on the one hand, the lack of resources and possibilities in the local industry. On the other, the problem of the value of talent, and finally, the price difference between an innovative object and one copied a few months later was clearly evident. Another of the foundation's parameters was to import, exhibit, and sell products from around the world alongside national ones, so that our designers and clients could evaluate the aesthetic and technical quality of both. Another principle of the foundation was that everything on display was for sale. Because in our country, many people believe that commerce, money, corrupts and taints cultural and intellectual activities. Our vision was that economics was an indispensable complement to achieving excellence in any activity, and there was no better way than to lead by example. This idea, which was fifteen years ahead of its time, lasted until another of Argentina's crises, when nothing was selling and we were left without national manufacturers to produce the few things we did. By then, it was 1993, when my father fell ill with cancer, and I decided to join him. I stayed with him until his death and continued the industrial activity he had with his company, Los Avipones, which later became known as Samuel Benzacar, and which, when I took over, was renamed Benzacar Maderas SRL. The history of this venture begins with the history of the countryside; we started with an extractive forestry industry. To give you an idea, this business is operated along country roads, with teams of loggers; they cut the wood, and that wood is hauled to the town, where it continues to be processed or sold as is. In the early days, my father produced posts, poles, which are the small vine supports, and sleepers from white and red quebracho. To make the sleepers, a sawmill was needed, and so he began cutting wood. At first, things went very well, but then there were good times and others that weren't. We tried to raise cattle, and at that time, the investment required to systematize the farm was too significant, and the price of meat, a key component of the Argentine family basket, was very low, so we decided to buy more land. In 1983, when Alfonsín took office, my father had delivered \$500,000 worth of merchandise to Ferrocarriles Argentinos, and that bill was paltry: I ended up collecting it 20 years later. Following this blow, he began an attempt to further develop the woodworking industry and to study the subject of making plates, cutting boards, etc. He slowly began to equip himself in this direction. He managed to establish distribution in supermarkets, and when he fell ill, I took over this reality. The truth is that by then the company was already in very poor condition because there was competition from other producers.

Imported pipelines were driving us out of the market. My father passed away; my mother, who was fond of those fields and that place, thought it was a project worth pursuing, and I, in his memory and trying to prove it was viable, put all my effort into continuing it. One of our distributors was Rody, from Bazar Rodén. His main client was Supermecados Norte, owned by Mr. Gil. One day, Rody showed up with a wooden hanger and told me that thousands of that product were sold, and why didn't I give him a price quote? Following this request, I requested an interview with Mr. Gil. During the interview, I proposed charging him a million dollars per hanger. He asked how that could be, so I went on to explain that they don't come from trees but from a factory I don't own. To be rude, I told him that if he asked me something stupid, I'd answer with something else. From there, I suggested we have a rational dialogue. I asked him how much imported ones cost, and he told me eighty cents. So I suggested making hangers at that price and seeing if I could find a way to produce them. From then until 2001, I made hangers, and I was the largest producer of them in Argentina.

From the experience of manufacturing hangers, I drew several conclusions. The factory's productivity level when I took over was very low for a currency that was appreciating. First conclusion: productivity is proportional to the strength of the currency. This need to increase productivity led me to develop an assembly line. And here I became aware of the immense amount of resources per job needed to achieve the productivity that would make the project profitable. For example: let's imagine a service company that installs screws with a manual screwdriver. By hand, I can install 100 screws per day. Let's suppose I need two days' worth of working capital equivalent to 200 screws. Let's suppose a pneumatic screwdriver is purchased, which can install 5,000 screws in one day. The capital then will be 10,000 screws. As we can see, the increase in productivity brought about by technological change caused a very significant increase in the need for resources, proportional to the increase in productivity. I experienced this example firsthand when I decided to manufacture the hangers in the quantities demanded by the market. This required an increase in the resources needed to achieve the productivity the objective demanded, along with a significant investment of money. From this, I drew the following conclusion: either I had to get the money or I had to get the goods. Since our financial system is extremely stingy with the manufacturing industry when it comes to providing it with funds, I turned to acquiring goods. How? In the case of capital goods, I financed them with suppliers by manufacturing them. I believe that episode was an experience that strongly impacted my understanding of wealth.

The other interesting point was that the main customers were supermarkets. My chances of negotiating with them as an SME were already zero. This reality allowed them to extend payment terms, collect—

I was interested in making advance payments, being subject to countless arbitrary actions; in short, I felt like a commodity to be used and abused. I began to realize how necessary it was for a state to regulate these ties. I began to define one of society's ills: cannibalism. Trying to solve this problem, the government opened the Loyalty Trade Office, which was supposed to oversee this relationship. I had two revealing experiences with that Office: Once, under-invoiced merchandise had entered the country. I filed a complaint; the Loyalty Trade people conducted an investigation of the products on supermarket shelves, and I ended up with a case against me because my products didn't say "Industria Argentina" even though they did say "Quebracho Blanco, Santiago del Estero," along with the company name and phone number. That case forced me to relabel 20 or 30,000 units and pay a fine of 3,000 dollars. In this example we see that this distribution was in accordance with the form but not the content, one of the variants of intellectual dishonesty.

Another issue that was strictly verified was the currency issue. When the money in circulation increased, sales increased, and vice versa. The factory was located in the middle of nowhere, in a small town 200 km from the city of Santiago del Estero, and the problems caused by the lack of infrastructure, roads, communication, electricity, health care, and education were evident. Much of the productivity and efficiency was related to external services. I began to realize that industrialists are a thermometer of reality. And that for the political class, serving a company like mine was a hindrance because it's just a vote, and it has no bearing on the elections. I believe the relationship between the political class and large corporations is much more reciprocal than with SMEs. This is another intellectual dishonesty. For these two species, government and large industry, work for their survival and their permanence in power without concern for other social actors. Here we can see that one limit to this type of relationship is global wealth, which in some way forces us to take into account the other actor and to numerically define what the shares are. This mandate prevents the transfer from one actor to another and forces us to seek the solution to profitability in innovation and creativity.

In 2000, my mother passed away, and my sister and I decided to divide both the assets and liabilities: she continued with the gallery and I kept the land.

In 2001, with the Argentine crisis, I was almost left destitute, but I was as efficient as the country, and the chaos was such that the system allowed us both to stay afloat. In my case, I didn't need to apply for a job; I was able to manage my load and get by without reaching that extreme.

From 2005 to date (April 2007) I have been undergoing a transformation based on the migration towards consulting and management services.

From this succinct biography I want to highlight and transmit the entrepreneurial spirit of my family (a characteristic inherited by my sister and me), the tenacity and

The affection with which new projects were taken and the clear fact that everything generally began as a dream or a fantasy from which work was put to work and built, facing the difficulties that reality presents.

In general, this country didn't allow entrepreneurs (my parents and others) to achieve the results they deserved, nor did it allow them to build realities worthy of their projects and efforts. Invariably, the contrast between the original fantasy, the possible, and the desired resulted in seas of anguish and frustration.

Within this context, my family was fortunate, if that's what it's called, as we always managed to weather the country's crises with some dignity. I've seen cases of enormous injustice in families who, while sharing the same desire to make progress, were forced into bankruptcy or poverty by our country's economic difficulties.

Never in the course of these economic ups and downs have I heard an explanation that allowed me to understand why they happened, why they had these consequences, what had to be done to prevent them from happening, etc.

I believe this work is an attempt to answer all the economic questions that have arisen in my mind over the past fifty years. It's not my intention to blame myself or others. I simply want to understand why things didn't work as they should. In this book, I try to answer that question constructively, stripping away conspiracy theories and fundamentalist positions to arrive at a possible answer that explains the reasons for the past and how to face the future.

**Pragmatic aspect of the system:
analysis and interpretation**

Editorial Croquis 2009

Editorial Croquis 2009

An alternative implementation

In principle, political support is essential to implement the system we are proposing.

Of course, what we propose is neither a political platform nor a political movement. We suggest working with current economic policy to transform it into a greater supply of resources. In pre-material societies, this work serves as a foundation for generating development and well-being.

In Argentina's highly politicized universities, Maoists, communists, radicals, and so on coexist. When I give talks there and the time comes to talk about wealth, it's as if I'm summoning the devil. Anger, rage, hatred, and indignation are instantly generated. Once all this accumulation of feelings is clearly felt in the air, I ask the most radicalized person in the audience to explain to me what they would do if they had the chance to govern while a severe flood occurred in their territory. The invariably response is that the flooded population must be cared for, given food, shelter, blankets, and so on. To which I respond that those objectives are correct, but to meet those needs, it's imperative that the resources be available. But if they don't have them, no matter how communist, Maoist, or whatever the government is, they will have to face the flooded population with nothing, and things won't go very well for them. Here we come to what this book proposes: a program to ensure that resources are always available. Once that happens, the possibilities of meeting people's needs in a concrete way begin.

It's important to clarify that when we say resources are available, we're not talking about who has them, but rather about them being available in the territory. If this doesn't happen, even if we have the money to buy them, it will be much more difficult to meet people's needs in a timely manner.

A politician's goal is to seize power. He usually suffers from two maladies: remaining in power and forgetting the purpose of his conquest. Let's suppose there is a politician who knows why he wants power: to satisfy human needs. How will he achieve this? By generating or producing economic growth and development. This man wants to provide more jobs, more opportunities, and a better quality of life. He decides to implement his plan, creating a non-governmental organization supported by the state and large corporations. In this way, he ensures that the members of this NGO are not immersed in the pettiness of bureaucracy and politics. The organization he founded is strictly pedagogical; its function is to transmit knowledge and train teachers and students in its use. You may be wondering how he will accomplish this. Initially, there is a matrix of human resources (teachers), which will be recruited progressively. As training courses are delivered, officials with presumed pedagogical ability and passion for the proposed line of work are identified. Those who possess these characteristics are

Based on the characteristics, they will be invited to participate in the project. In this way, a pyramid structure will be created, with exponential growth, and much of the methodology used in direct sales. After this, our politician will assign us a Directorate, a Municipality, a Department, or a government sector where he or she is interested in starting to implement the change. Let's imagine the chosen location is Customs. Our teaching staff begins giving classes to disseminate the concepts to all staff of this institution, including the management. One of the proposed exercises for this session would be something like: "Who will dedicate a day to me in exchange for a million dollars?" To carry this out, we have a physical printed million dollars. We show it to the audience while explaining that we want them to see how much space that million occupies. Then we ask who in the audience would dedicate a day to us in exchange for the million. Normally, the one who seems the most daring is chosen to come forward. This person is invited to board a plane. The plane lands in Antarctica, and our participant must get off. Here, it's logical to assume that the individual will be frozen to death within fifteen minutes. We propose exchanging half a million for a box of matches, a deal he quickly accepts. In the next few minutes, he proceeds to set fire to the other half of the million and then begins to demand that it be returned to the mainland. To do so, he will be made to sign a document agreeing to pay twenty million dollars for its return. From this game, the question arises: What does it mean to be rich? Thanks to this exercise, we can observe the students' behavior and evaluate their way of thinking. The course will continue to develop with more problems of this type. Thus, the classification of these problems begins. To this end, a student assessment matrix will be created consisting of rows and columns. The rows indicate the degree of knowledge of the concepts, the will to improve, the desire for the common good, responsibility toward work, etc. The columns evaluate how their reaction to problems is once they have this knowledge (evaluation of the way of reasoning: behaviorist or structuralist). Our managers and directors will be those with excellent personal attributes and a structural way of thinking. On the other hand, those with excellent personal attributes accompanied by a behaviorist way of thinking will be the most apt to obey (behaviorism: for every action, there is a reaction). It is well known that a structuralist is the one who creates paths, while a behaviorist never deviates from them.

With this pre-classification of human resources, the next step will be to provide them with specific in-depth courses for each of these profiles. The structuralist will be presented with situations, and will be asked to create the decision matrix, the administrative circuit, and the different paths to follow, always oriented toward maximizing global wealth. The behaviorist will be asked to identify what is not standardized and raise it as a problem, to identify what is not standardized and present it, etc. They will be asked to

be monolithic with the line of upstream and downstream signatures, that is, that they feel responsible for ensuring that the decisions made are reflected in reality. For example: one of the most serious problems facing management in our country is that when decisions are made, the reaction is not aligned with what was expected to happen. Within the World Trade Organization, there are regulations that allow, among other things, defense against the type of aggression I suffered years ago as an industrialist due to products imported from China. This legislation recognizes two defense strategies: dumping and safeguards. In my case, after two years of unimaginable efforts and having gone through the Secretariat of Industry and the Ministry of Economy, I managed to obtain the dumping decree. This means that the Ministry of Economy considered that my sector was being attacked and deserved protection. Curiously, the executive branch of this measure is Customs. Once the measure was implemented, my competitors (the importers) were unaware of its existence, as imported merchandise continued to enter the country normally, as if the regulations didn't exist. A year after the resolution was approved, I was summoned by the head of the Customs inspector. He told me he had recently taken office and was interested in understanding how the products were classified. We met the next day at 10:00 a.m. in his office. I arrived with a sample of the products so he could draw his own conclusions. I discovered that at that very moment, the inspectors were on strike. By 11:00 a.m., the official who had contacted me was removed from his position. Nevertheless, I requested to see a Customs inspector and was able to speak with two of them. I explained that they were sacrificing a town in the Argentine Republic (where the factory was located) for the sake of two containers (the monthly entry of the product in question). They asked me to make a list of what they had to do with the products listed in the resolution. Indeed, they stopped the entry of hangers into Buenos Aires. Conclusion: Buenos Aires Customs has forty-four inspectors who control everything entering the country. They constitute a troop that should be aligned, aspiring in the first stage to be dishonestly consistent with the idea. This means that they take care of what they are asked to take care of. Today, they do so and don't respond to any order. To combat this reality, we came up with the idea of critical mass. It is impossible to generate change in an institution like Customs if a minimum number of people are not on board to guarantee that the regulations are followed.

Regarding the spirit of these resolutions, I must tell another anecdote. In our country, during times of prosperity and populism, an industry based on labor lawsuits was created. One branch of them was based on work-related illnesses and accidents. The Minister of Economy, listening to the complaints of industrialists about this situation, decided to create a Workers' Compensation Insurance (ART).

occupational hazard). Our legislators sanctioned the mandatory system, which turned it into a big business. Furthermore, if one didn't register their staff with a private ART (Article 1000), the regulatory body could demand the amount owed at some point (a hostage situation). With the 2001 crisis, many small business owners found themselves unable to pay their ART fees, including a friend. In 2002, he received a call from a lawyer from the regulatory body whose objective was to claim payment of the alleged debt. With great respect, he explained that he was in a near-terminal crisis, and his priority was paying people's salaries. If the debt was so significant, she should file for bankruptcy and take over the care of her forty employees. In this specific case, the system presented an inconsistency in the face of the crisis, possibly because such a situation was never anticipated. They were killing the person who provided their livelihood (cannibalism). Given the flaw in logic, the lawyer did not pursue her claim. Two lessons can be learned from this example: first, that the line of officials tried to enforce the regulations, failing to understand that they were intended to favor or minimize employer labor costs. Second, that when the system was created, a crisis was never foreseen within the regulations. Because of this behavior, I believe our society is fascinated by form, not substance.

As we can see in the previous example, several diseases are present: anthropophagy (attempt to charge the regulatory body for a service not provided), intellectual dishonesty (placing the entire industry in a situation of being held hostage by these regulations), intellectual dishonesty of the creators of these laws and their regulations, by not being able to adapt them to the new conditions when the crisis came.

Returning to our training, as we mentioned, at this stage we are trying to develop directors and managers with a structuralist approach and a behaviorist approach. The content provided will allow all employees to clearly discern what is good from what is bad. Because in a society where there is child mortality and malnutrition, poverty, and other issues, the waste of resources and the lack of opportunities to generate genuine employment constitute criminal acts and should be judged as such. Likewise, all those aligned with this idea should be able to count on social recognition.

Once the cadres are classified and trained, they are transferred to the corresponding area. The arduous work of these individuals begins: making the system a coherent organization that aligns with global wealth. To do so, they will have to explain, disseminate, and reinterpret everything they have learned. Should this task raise the possibility of several alternative paths, or should the interpretation of regulations open up a universe of possibilities, we recommend creating a board of notables to discuss the alternatives that allow for this.

maximize overall wealth in whatever decision-making process.

I want to point out that norms and regulations cannot replace the interpretation and spirit of human beings. The same rules implemented in different societies and contexts can generate opposite results. Given this situation, transculturation becomes a truly serious problem. For example: in American society, the free market is preached. The United States imports large quantities of manufactured goods from China, and curiously, this trade benefits both countries. What is the reason for this? To explain, let's tell a short story. Let's imagine that the United States Secretary of Foreign Trade goes to China for a meeting with that country's Secretary of Transportation. The latter tells him that he needs a thousand jumbo jets for domestic cabotage (a \$100 billion business; jumbo jets cost \$1,000 per kilo). The American official asks about the payment method for these jets, to which the Chinese official replies that since they don't print dollars, the only form of payment is for the United States to buy things from them. After this, the US Secretary of Commerce returns to his country, speaks with the Walt Mart supermarket chain and the Boeing factory, deciding to import Chinese products (products that cost a maximum of three dollars per kilo). In this way, he opens the American market; China begins exporting to the United States, earns dollars, and begins paying for the airplanes. Some might argue that with this practice, certain jobs disappear in the United States, specifically those generated by the industries that produce what is now imported. This is true, but parallel to the deterioration of some sources, others increase (Boeing, for example). The link we just described is successful because what the Chinese buy has extremely high added value. This same concept of liberalism applied to a society that sells products with lower added value will end up generating unemployment, joblessness, and poverty. Therefore, it is essential that our line of companies remain consistent with the objective of achieving the well-being of the people or the society in which they live.

Returning to the topic, the sweep also includes officials with a strong pedagogical spirit. They, qualified in the same way as the operatives, will create pedagogical structures in the respective provinces or municipalities. This activity will allow us to disseminate our concept (commandment) with unprecedented speed.

It would be ideal for our non-governmental organization to have a space in the media. This space should be dedicated to constructive discussion of the various alternatives to be implemented. Furthermore, it should generate certain knowledge to curb diseases such as intellectual dishonesty or cannibalism, sometimes disguised as passions and fundamentalisms. A website could be created, to which people can submit proposals to improve their current situation. For example: an administrative office

A hospital's proposal to purchase supplies could have generated a method for economical purchasing, presenting it on the website. Another example, this time a real one, is the issue concerning the need to purchase radars in our country. I've never heard a serious, technically public discussion about it. I'm absolutely convinced that there must be some Argentinean capable of developing a coherent framework; they might also be an opinion leader. If they carried out this task, certain legal actions that are currently permitted would be avoided. I don't think any company would want to oppose the position taken by officials, professors, and scholars. I must admit that I'm completely unfamiliar with the technical aspects of the radar issue, but I know that this topic ended in a cross-contention between the bidders, INVAP (which will manufacture and deliver radars), and the country (which has been without them for years).

Our training strategy is based on a screening of public sector officials, classifying them according to a valuation matrix; on the existence of a line of signatures consistent with the mandate; and on a society that participates constructively in decision-making. An anecdotal example: when I visited the United States, I was struck by the quality of the construction of many public offices. Reflecting on this, I deduced that the official in charge of preparing the bidding documents prioritizes the fact that the office to be built must last a hundred years and that maintenance costs should be no more than a tiny fraction of public spending. A week after returning from my trip, I visited an office of the Buenos Aires City Government. I carefully observed the place and saw damp walls, poorly made electrical wiring, rusted windows, deteriorated furniture, etc. Clearly, no one had given any prior consideration to this. Similarly, if one looks at the public buildings built by the English between 1890 and 1930, one can see how they survive with great dignity. What I mean by all this is that if we want to avoid the exacerbated deterioration of buildings, we must create a board where engineers, architects, intellectuals, etc., develop a common ideology about how to construct public buildings. Clearly, it's not enough to simply carry out the work in any old way, as this generates numerous problems and costs in the medium term.

We recommend replicating the proposed model at the provincial, municipal, and other levels. It is similar to direct sales pyramid structures.

The implementation strategy should be sequential. With the public sector aligned with the mandate, the mandate is simultaneously disseminated to the private sector, which will quickly understand the concept as it becomes familiar through the interpretation and implementation of regulations and laws.

The objective of dissemination is to ensure that the set of meannesses of

social actors is limited and does not work against global wealth. This will allow us to have the human resources to generate important structural transformations.

Practical use of these concepts by people

Our goal is for the concepts we propose to help people build a strategy for allocating their surpluses and managing their financial lives, especially during crises. For example, many people consider a car a capital good, even though it's easily demonstrable that in the first round, the apple lost 20% of its value and generates an annual cost of 10% of its value in fees, insurance, etc. As we can see, this object has connotations of comfort, social status, and utility. That is, its purchase is not only determined by its functionality for work or our activity, but also by factors related to ego or self-esteem. Although possibly, if our income is substantial and the car is not an important part of our lives, we can afford such an expense without evaluating how it affects our overall wealth. By applying our concept, we would choose the combination of car price and functionality that maximizes this outcome.

Balance between assets in use and assets available

A house is defined as a use asset, given that, whether large or small, expensive or cheap, it is used for living. Is it capital? Yes, but it is only available when I do without it. Suppose we have the money to buy two small houses or one large one; both are located in the same neighborhood and have the same quality of construction. The rational thing to do would be to maximize our wealth, so if we don't need a large house, we should buy two small ones and rent one out and generate income. One of them would be a use asset, and the other a disposable asset, which would allow us to carry out another transaction in the future. This distinction between disposable and usable assets is fundamental within a resource allocation strategy. In my family, they were always enthusiastic about owning things; that's why we often feel rich or poor, since we can't eat fields, properties, or houses.

Another goal to achieve is the maximization of global wealth. As a strategy to achieve this, we must generate situations that generate income and increase assets. Therefore, we must first evaluate the probabilities of each of the investments we make. For example, when purchasing properties, the environment, public or private investment, and the uniqueness of the area are factors that generate possibilities.

They are also capable of increasing their value if they are properly evaluated. Many people make significant investments in the neighborhood where they grew up, and then, by the time they are monetized, they don't cover the value of the investment. This is an investment based on emotional or ideological parameters. When my parents got married, they had a small apartment on Añasco Street. When my father started doing well, there were already four of us, and the need to move arose. My mother, a person with strong ideological convictions, believed that moving to Barrio Norte was becoming contaminated; so, both she and my father decided to buy a townhouse in the Caballito neighborhood, in which they invested a fortune. They turned that house into an architectural object twenty years ahead of its time. The reality is that the effort and money invested there were never recovered. Those same amounts in another neighborhood would have been a more than profitable real estate investment. I have to admit that today, thirty years later, the neighborhood is improving.

As we can see, in situations of scarce resources, their management and allocation requires rationality and responsibility. Resources can be squandered without considering the hard work involved in obtaining them.

Person, family in crisis

Let's suppose we're doing well, but the country enters a recession and our company experiences a lack of sales. Unfortunately, in these situations, the system often pushes people out of its depth. How these people behave in the face of crises is crucial to their survival and that of their families. In these situations, the main premise is to prioritize wealth and the capacity for transformation above all else. For example, we can think of two different cases: that of the employee and that of the self-employed. If you're employed, you first need to evaluate the possibility of collecting severance pay provided by your employer. Then you need to consider the intangibles the company may be able to pay for over time: social security, cell phones, etc. You must reflect on all your options to try to maximize them. Another issue to keep in mind when talking about people is their liabilities: taxes, credit cards, and loans. When economic problems arise, these liabilities must be discontinued, so you must safeguard your savings and cash until you find a new job. In this regard, managing legal timeframes and the possibilities of finding a job are two parameters that must be carefully considered when navigating decisions of this nature.

Turning now to the case of the self-employed, in the face of a crisis, they must preserve their capacity for transformation. If they are a taxi driver, their car; if they are a carpenter, their tools. Often, in their eagerness to cope with pressures, people give away the resources that are their source of income, condemning themselves to the crisis.

This leads to poverty, dismay and lack of hope.

An interesting problem to see if the concepts are clear is the following: we have enough money to buy a supercomputer or take a course on a topic relevant to our work. What would you do? If we apply our definition of wealth (available stock plus transformation capacity), we can consider the PC disposable because its resale value is zero, but the course is not a tradable asset either. Therefore, this dilemma only improves our transformation capacity. The question is whether this PC allows us to improve our own productivity, in which case it makes sense to buy it. If not, the reasonable thing to do is to take the course since it offers the possibility of increasing transformation capacity. Normally, in a situation like this, the playful aspect is the one that ultimately triumphs, not necessarily the one that increases our overall wealth.

Practical use of these concepts by companies

Companies must allocate resources in such a way as to maximize their overall wealth. To better understand this issue, we must classify them into pre-material, material, and post-material companies. In our country, most small and medium-sized companies are pre-material, since their resources are on the order of ten thousand dollars per job. Meanwhile, in material countries, these resources are on the order of eighty thousand dollars. This difference is reflected in lower productivity, which, depending on the market, translates into lower wages, higher prices, and quality.

In a crisis situation, companies must be very careful in managing their resources. Generally, if it's a manufacturing company, there are countless processes in which investments must be made. If the same amount of investment is not made in all of them, the results are not noticeable, since the improvement in processing capacity is not seen due to the creation of "bottlenecks." This is why investments must be made at marginal cost, that is, by purchasing used machines, refurbishing machinery, etc. It is logical for the company to invest as little as possible in fixed assets and focus on available assets, finished products, and raw materials, since all of these provide liquidity. There are often disputes between partners, managers, or employees over the allocation of available assets to square meters, employees, or resources, which have no correlation with increased processing capacity, thus resulting in a decrease in overall wealth. Employees who behave this way do not deserve to remain in their positions. The requests that generate such friction do not always reflect an increase in processing capacity. They often arise due to the excessive eagerness of officials or attempts to justify their ineffectiveness. Every company must position itself within the mandate that maintains that fights can

may exist, but not threaten the overall wealth of the same. Here again, the concepts presented in this book should serve to achieve a rational discussion on the allocation of resources. Many of these are allocated to intangible investments but have a counterpart in the real economy, and that is why the economic result must be clear.

In entrepreneurs' strategic decisions, the perception of transformation capacity is fundamental, as it is a value that is added to that of real assets. For example, in Argentina, in each of those crises that seem terminal and close to the end of the world, many companies, feeling legal insecurity, lack of a market, and social violence, decide to withdraw from the country. Some entrepreneurs, instead of considering the reality of the moment, dedicate themselves to purchasing tangible and intangible resources at opportunity cost. It is true that this is a high-risk bet, but if it works out, the equity results are very significant. In this case, the entrepreneur was able to experience a future where real assets have a logical value and the transformation capacity generates an acceptable return. To achieve these results, it is essential to have an optimistic outlook, strategic thinking that allows us to evaluate the probabilities of success and failure, or historical thinking, keeping in mind that crises have always been overcome by having the capacity to withstand the pressures inherent in transition. There is also practical thinking, which in our country's case is based on the idea that as long as we have food to distribute, a social uprising of uncontrollable magnitude is impossible. It was demonstrated in the recent crises that the government distributed food and allowed the population to express themselves until they were bored with what they thought. Thanks to this combination, we never had a revolutionary social crisis.

An important issue to address at this point concerns the principles that companies must adhere to and the associated mandate. The first principle of a company is to sell, the second is to collect, and then comes Harvard, etc., and whatever else they want to do with the company. The mandate is to try to manage the greatest amount of resources possible, whether purchased, financed, transferred, or rented. Having numerous resources and having them serve the business guarantees us the possibility of having an organization with greater resilience to crises and with better possibilities for development and growth. All this is reflected worldwide in companies that have more than eighty thousand dollars of assets per employee. We must not confuse managing resources with managing them with equity. There is credit from suppliers, the leasing of capital assets, and others that we can manage and use without having to pay for them in advance.

Company in crisis

In Argentina, a country with vast experience in economic crises, it is essential for entrepreneurs to know how to deal with these situations. As already explained, we believe that if the political sector does not make a landing with a critical mass of officials aligned with its idea, and if that idea does not also have a mandate that homogenizes interpretations, the permanence of these traumas is inevitable. If we interpret our philosophy of mandate, we recommend that, in the case of manufacturing companies, the purchase of capital goods be made at marginal cost. This means that if we decide to abandon the activity and sell these machines, the selling price of the same should be as close as possible to the purchase price. It has been observed that many entrepreneurs with healthy work attitudes have tried to capitalize their companies by taking out loans from the system, either internally or externally. If these investments were not during a period of economic expansion when they made these investments, these entrepreneurs often ended up bankrupt. Many of them, even today, do not understand why what happened to them happened, because they invested to improve their work and their results. The reality is that when you buy a new machine, you're paying a price that guarantees a certain productivity, and if the market holds up, it will surely pay for itself. But if a crisis occurs in the meantime, that machine begins to operate at lower activity levels. There have been cases in which it's advisable to shut it down because the quantities of raw materials before and after the machine are so large that its use becomes financially unviable, and those same companies return to previous technologies and productivity. Now, how different would it be if the machine were purchased at a price that matched its value in the midst of a crisis? That would make it possible to avoid consolidating losses and resolve the financial problem, if it exists.

During our country's recent crisis, many companies that had equipped themselves with the latest technology decided to sell their machines to neighboring countries. In the case of a company in crisis, it is essential to maintain operational capacity (transformation capacity), not allowing pressure from our creditors to harm our operational capacity, as this is what will allow us to pay them and support our families and employees.

It's interesting to see that in these moments of crisis, it seems like nothing has any value, and the reality of that moment supports it. But the truth is that with the passage of time, everything finds its balance and its true dimension. That's why, if we are clear about these concepts, they will help us understand how events unfold and make the right decisions based on them.

With regard to senior management, if they share this mandate, it will allow for a rational dialogue with them, each seeking to maximize the company's overall wealth in all their tasks and obligations.

It's important to understand that the latter doesn't necessarily coincide with profitability. For example: our company may have earned ten pesos, but we perform maintenance and upgrades on machines that increase their productivity. These upgrades will likely not be implemented and will affect the accounting results. They would be put into operation at the purchase price of all those inputs and resources, but a machine from the beginning of the last century, refurbished with current materials and automation, may have the same productivity as a modern machine. Therefore, this asset would have to be valued at the market price of modern machines, since their contribution to productivity is very significant. It's very difficult for this to be reflected in accounting, especially in a small company, since the only way to capture these types of situations is through technical revaluations, which are expensive and difficult to record. On the other hand, our entrepreneur, if he perceives the increased transformation capacity of all the effort described above, realizes how much richer he is. Unfortunately, this is very difficult to translate into traditional accounting parameters, which are completely affected by tax issues. Therefore, communication based on the idea of increasing wealth and how much each person contributes to that goal will allow us to choose the path that maximizes accumulation and optimizes resource allocation.

Practical use of these concepts by the State

According to our hypothesis, the State, given the scale of the resources it manages and its obligation to guide society toward the prosperity it seeks or deserves, is the agent responsible for generating the conditions (through tax, financial, and legislative tools) for society as a whole to contribute to increasing global wealth; punishing cannibalism, intellectual dishonesty, and corruption while rewarding increased capacity for transformation and available resources. All of these economic aspects are closely linked to health and education in terms of human resources.

As already explained, much of the capacity for transformation depends on people's talent, and it should be a success in management to detect it early, develop it, and strengthen it.

To implement everything explained above, it is essential to work in stages and by cell. Their reproduction will be associated with the possibility of extracting from these organisms individuals capable of spreading this commandment and replicating it, thus eventually allowing the creation of a complex, harmoniously functioning organism. That is why we propose landing in strategic locations. We recommend indoctrinating the entire line of the firm, and as that cell begins to exhibit healthy behavior (functional to the commandment),

Expose the sectors, departments, and secretariats that are not behaving coherently with the commandment, and call them to reflect and align themselves. If they don't understand the message or challenge it, the moment we once again have a critical mass of people that allows us to land in that sector, it will be colonized, and so on. At this point, it's important to note that this concept or strategy is similar to a chain reaction: the more people align themselves with the commandment, the more human resources there are to spread this message, eventually leading to an explosive evolution, as it has a geometric exponential behavior.

All of this is possible because we are clear about the need to disseminate a mandate that has content, a pedagogical strategy, and the goal of aligning a critical mass of people to fulfill the political dream of that moment. We must emphasize that we are not engaging in politics; we are saying: "Gentlemen, any policy you wish to implement requires resources to put it into practice, and these resources arise from better management of what we already have, plus increases in transformation capacity and available stocks that can be generated in the future." This means that our resources will arise from the effort and talent of our citizens. There have been times in Argentina's economic history when prosperity was centered on the inflow of foreign currency, but these resources turned out to be the product of loans and were used primarily to improve people's quality of life, not to create jobs. When the flow of these funds dried up, the magical vision of living on borrowed time always led to depression and anguish, from which we are now emerging. Unfortunately, I sense that there wasn't as much in-depth reflection as was necessary, which is why I'm encouraged to predict that as soon as external conditions (commodity prices) change, we'll likely spiral into a new crisis. Why am I so pessimistic? It's clear that this government has a mandate for economic growth, but it's not based on either content or talent. Without content, it's very difficult to indoctrinate the elite and generate a critical mass aligned with this thinking. When a crisis hits, it's essential to have fine-tuned management and resource allocation to maintain and preserve growth and development.

Practical use of these concepts by NGOs

When I walk around my country, I see poverty, and that situation makes me angry and indignant. I also see injustice, which stirs up violence in me. I also see pollution, among other things, and it saddens me. If one feels unable to do anything to change these issues, helplessness sets in. This can lead to violence, fanatical violence, or indifference. I have observed how

Many NGOs, through the activities or issues they choose to engage in, allow a large number of citizens to develop a task that, depending on how it is carried out, can be anything from a placebo to a cure for society. It is therefore essential that these institutions adopt our mandate, since the path to the possible is not a linear path but rather a path of successive approximations. In general, linear paths are associated with dictatorships, fanaticism, repression, violence, or substantial financial resources to overcome any resistance that may arise. Therefore, if NGOs adopt this language, communicating upstream and downstream with this content, it will likely be much easier for them to produce definitive cures for society. Furthermore, from all our explanations, it is clear that the strategic objective of these institutions should have influence on the allocation of resources to offer alternatives that improve general well-being.

Confirmation of need

from our theoretical framework

Editorial Croquis 2009

Editorial Croquis 2009

Confirmation of the need for our theoretical framework

Fortunately, while writing this article, a note appeared discussing how Malawi was solving its famine problem. We transcribed the note and will correlate paragraphs from it with our system.

Transcription of the article by Celia W. Dugger published in *Diario Clarin* in December 2007.

LILONGWE, Malawi. For years, Malawi hovered on the brink of famine. But after a disastrous corn harvest in 2005, nearly 5 million of its 13 million people needed emergency food aid.

Today, that nation, which had long required assistance, feeds its starving neighbors. It sells more corn to the UN World Food Program than any other country in southern Africa and exports hundreds of thousands of tons of corn to Zimbabwe.

In Malawi itself, the prevalence of acute childhood hunger has dropped significantly. So much so that, in October, the United Nations Children's Fund sent 2.7 tons of powdered milk from there to treat severely malnourished children in Uganda. "We're not going to use it!" said a jubilant Juan Ortiz-Iruri, UNICEF Representative in Malawi.

Farmers explain the country's extraordinary about-turn, with enormous implications for famine-fighting methods across Africa, with one word: fertilizers.

Over the past 20 years, the World Bank and some wealthy nations from which Malawi received aid periodically pressured this small, landlocked country to adhere to free-market policies and cut or eliminate fertilizer subsidies, even though the United States and Europe heavily subsidize their own farmers. However, after the 2005 harvest, the worst in a decade, Bingu wa Mutharika, Malawi's newly elected president, decided to do what the West practices, not what it preaches.

"As long as I am president, I don't want to go begging for food in other capitals," Mutharika declared. Patrick Kabambe, a senior official at the Ministry of Agriculture, said the president told his advisors: "Our people are poor because they lack the resources to use the soil and water we have."

The success of Malawi's subsidies has led to a reappraisal of the role of agriculture in alleviating poverty in Africa and the importance of public investment in key areas of an agricultural economy: fertilizers, improved seeds, farmer education, credit, and agricultural research.

Malawi, an overwhelmingly rural nation, represents an extreme example of what happens when these factors are lacking. As its population grew and inherited land holdings shrank, the impoverished farmed every inch of soil. Desperate to feed their families, they couldn't afford to fertilize their land or allow it to lie idle. Over time, their depleted plots produced less food, and farmers fell deeper into poverty.

For decades, Malawi's leaders favored fertilizer subsidies, yet they reluctantly acquiesced to donor prescriptions, often shaped by Washington-based notions of foreign aid, which included a faith in private markets and an antipathy to government intervention.

Following a scathing assessment of the World Bank's record on African agriculture, an agency inspector concluded in October that the elimination of domestic subsidies had not only led to exorbitant fertilizer prices in African countries, but that the Bank itself had frequently acknowledged that improving Africa's declining soil quality was essential to increasing food production.

"Donors eliminated a role for the government, and disasters piled up," said Jeffrey Sachs, an economist at Columbia University in New York who lobbied Britain and the World Bank for Malawi's fertilizer program.

Heavy fertilizer subsidies and lower seed subsidies, coupled with good rains, helped Malawi farmers produce record maize crops in 2006 and 2007, according to government crop estimates.

Some economists have questioned whether this year's Malawi harvest should be credited to good rains or subsidies, but an independent assessment, funded by the US and Britain, found that much of this year's increase in grain production is attributable to the subsidy program.

Last year, approximately half of Malawi's farming families received vouchers entitling them to purchase two 50-kilogram bags of fertilizer, enough to cover 4,000 square meters of land, for about \$15, roughly a third of the market price. The government also provided them with vouchers to obtain enough seed to plant just under 2,000 square meters.

Malawians still feel the ghost of the 2001-2002 famine. During those years, an already reduced program to provide poor farmers with enough fertilizer and seeds to plant just 1,000 square meters of land was scaled back again. Flooding in the region further reduced the harvest, corn prices soared, and under the then-installed government, the entire grain reserve was sold as a result of the crisis.

mismanagement and corruption.

Malawi's determination to heavily subsidize fertilizer and the resulting increased production benefits are beginning to change donors' attitudes, say some economists who have studied the case. Britain's Department for International Development contributed \$8 million to the subsidy program last year. Bernabé Sánchez, an economist with that agency in Malawi, calculated that the extra maize produced thanks to the \$74 million subsidy was worth between \$120 and \$140 million.

"It really was a good financial investment," he said.

Comments

The first paragraph coincides with a serious definition of premateriality. The second paragraph coincides with a significant increase in global wealth, expressed in terms of its transformative capacity.

In the third paragraph, we can see that the transformation capacity was the result of a change in agricultural technology through fertilizers and genetically modified seeds.

It can be seen that the recommendations of the material countries suffered from intellectual dishonesty, as they failed to reconceptualize their knowledge in a pre-material society. Therefore, even if unintentional, they caused harm to countless people.

The social mandate that enabled this transformation, in this case, was the president's proclamation to become self-sufficient in food so as not to beg from other countries. Our system interprets this proclamation, allowing us to marshal the forces of this pre-material society and direct them toward achieving these results. What the article doesn't mention, and which must surely have been effective, is that at least in this regard, it must have had the critical mass of officials that allowed for the proper allocation of fertilizers and seeds, and the evaluation of farmers. Here, we can also see that the Malawi government participated heavily in the technological change that allowed for the increase in maize processing capacity in tons. This is logical because, however poor the country may be, the percentage of the gross domestic product managed by this government and the human resources associated with it allowed it to generate this transformation.

As we can see, there are paragraphs that reaffirm the problems of conscious or unconscious intellectual dishonesty that pre-material countries can suffer because the notion of wealth in material countries is internalized rather than made explicit. Therefore, all the measures made explicit in these societies are administered in such a way that they do not violate that concept, which is internalized. But when extrapolated to pre-material societies with transculturalized officials, the result is disastrous.

Neither of these two operators has a theoretical framework to adjust their actions and make them consistent with a result.

Let's calculate the global wealth equation, taking subsidies into account. Based on the newspaper's data, 50 kilos of fertilizer cover 4,000 square meters of land and cost \$15, a third of the market price. And the government subsidized 50% of the value of the seeds. As we can see, the subsidy was \$74 million, and wealth was generated between \$120 and \$140 million. Therefore, we can say that the global wealth of this society increased by between \$46 million and \$66 million. Global wealth, if it had been the analytical parameter for the World Bank and officials of this country, would have allowed them to reach this conclusion many years earlier. Now let's analyze why the material countries didn't conduct a timely analysis. First, because in a material society, a subsidy ends up favoring one sector. And possibly, it doesn't go to the sector that generates the most wealth, is most efficient, or is most competitive. In material societies, there are options, such as industries that work in technology, farmers who make sophisticated products, designers who add infinite value to fashion, and so on. And it's not wrong to think this way. But in a country whose only option is to produce as much food as possible to sustain its population, the only option is to increase the food supply. Note that this also coincides with an increase in global wealth compared to the previous situation. That's why, in our work, we generate a language and a systemic framework that would allow pre-material societies to manage and allocate the resources they have in a way that is more consistent with their reality.

One conclusion that can be drawn is that the chosen commandment is a clear opposition to the famines of 2001-2005. Just as in Argentina, society was deeply affected by hyperinflation, Malawian society, thanks to the explicit expression of that commandment, realized the need to fight hunger.

We can also see that mismanagement has to do with intellectual dishonesty, cannibalism, and corruption—these are diseases of growth.

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