

Education is the Answer**Por Edgardo Zablotzky, Vicerrector, Universidad del CEMA****Buenos Aires Herald, Mayo 7 de 2014**

Although there are no exact figures about the total number of beneficiaries from the “Planes Sociales”, it is clear that in Argentina the government assists a large part of the population. In the long run, this assistance is senseless unless the beneficiaries are encouraged to fend for themselves. Otherwise, they would be doomed to poverty, by being perpetuated outside the productive society.

This is not a new idea. We can find it in Maimonides more than 800 years ago; in the highest rank of philanthropy he placed the act of providing the poor with the means to enable them to live by their work, without degrading them through open or hidden almsgiving. At the end of the 19th century, we find it in Baron de Hirsch writings; the man who probably carried out the largest non-welfare philanthropy project in the history of our country: “I contend most decidedly against the old system of alms-giving, which only makes so many more beggars; and I consider it the greatest problem in philanthropy to make human beings who are capable of work out of individuals who otherwise must become paupers, and in this way to create useful members of society.” Years ago, we discovered it in the ideals of Ronald Reagan, an icon of liberalism: “the purpose of any social policy should be to eliminate the need for such a policy, as much as possible,” and contemporaneously, in the thought of former French President Nicolas Sarkozy: “whenever welfarism pays more than work, this is demoralizing for the French who wake up early in the morning.”

Baron de Hirsch, Ronald Reagan, Nicolas Sarkozy; non-welfare philanthropy and capitalism, an often forgotten association. In this regard, in his farewell speech when returning to USA in 1984, the American Rabbi Marshall Meyer - who lived in our country for several years, faced the military dictatorship because of their human rights violations and was a faithful believer in economic liberalism - stated as follows: “Stop confusing the words. Stop calling leftist the one who simply loves his fellow man. If worrying about of the hunger of the others, about their food, about their shelter, about their tears or loneliness is leftism, which I deny, then I am a leftist. Nevertheless, I deny being a leftist, even if there is nothing absolutely wrong with being one”.

How can those who are assisted by the government fend for themselves again? Education is the answer. A great number of beneficiaries of welfare programs have not completed primary school, and the vast majority has not finished their high school. There is no reason why not to establish the requirement, for any welfare plan beneficiary, to attend adult schools in order to collect their allowances as per the pertinent plan; a requirement ideologically similar to that set forth for beneficiaries of the “Asignación Universal por Hijos”, where it is necessary to demonstrate their attendance to schools in order to collect the pertinent subsidy. After all, why does society feel only responsible for children’s education, and not for the education of adults in all age groups? An idea sometimes attributed to Erich Fromm, and sometimes to American psychoanalyst Erika Fromm, but which may clearly be applied to our reality.

A clear illustration of this type of public policy is provided by one of the most significant pieces of the U.S. legislation, the Servicemen’s Readjustment Act, more popularly known as the GI Bill of Rights. Although World War II was far from over, President Franklin D. Roosevelt was determined to plan ahead for a smooth transition to peace. The Bill, as the President explained when signed it in June 1944, “grants men



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and women the opportunity to resume their studies or technical training after their discharge, or to take a refresher or retraining course, with free tuition up to US\$ 500 per school year, and the right to collect a monthly allowance while attending such studies.”

Thanks to the GI Bill of Rights millions of people, who would have tried to enter the labor market after the war without human capital to do so, opted for retraining. In 1947, veterans accounted for 49% of admissions to universities. The human capital of the workforce significantly improved. Upon project completion in July 1956, out of the 16 million veterans from World War II, 7.8 million had participated in an education or training program.

In the medium term, the program, far from representing a cost for the U.S. government, brought about significant benefits. For every dollar invested in the education of veterans the government collected several dollars in taxes. This relationship occurred because both university graduates and skilled workers fulfilling the program collected clearly higher salaries than those they would have obtained if they hadn't studied, and therefore, they paid much higher taxes.

Why not conduct a similar policy in our country? There is a problem of incentives, since the costs would be due in the short run, but the benefits would be collected beyond the end of the term in office of the administration having the courage to implement it. Which politician would be willing to pay for the costs so that his successors may obtain the benefits? This is hard to imagine in our reality; we need a statesman, a Sarmiento. But it is clear that the return of the investment would widely justify it. Without human capital, in the knowledge society we live in, what chances does a person have for personal development and progress? Probably, very few.