

## **Capital: a basic human right?**

### **An Essay in Contextualizing Dialectical Materialism**

Business lock-downs and stay-at-home orders invite us to reflect anew on basic human rights. The demands that economies be opened for work and enterprise direct our attention to the vital importance to individuals of financial capital. Yet we are being advised that economic goods and our health are a rivalrous polarity. We must choose one over the other. Such an understanding of capital may be far too narrow, an understanding which may distort our choices and our institutional arrangements. This essay raises questions and offers in response tentative answers.

This essay presents a new, integrating view of capital. It explores a recognition of preciousness in capital which creates effective moral agency in individuals. The powers provided to an individual by capital, therefore, are fulsome and varied.

The SARS-Cov-2 pandemic is only a few months old but already has taught our global community a very important truth: economic, social and political institutions inherently shift risk to the more vulnerable among us.

Those without wealth, without education, without supportive social networks, without self-assurance, are disadvantaged in their ability to avoid infection or survive if infected. They lack the resilience and the capabilities enabling the more well-to-do, the better educated, with higher positions of authority and social status, the less emotionally dysfunctional.

The philosophical economist Amartya Sen named the condition of person who have higher chances of finding wellbeing “agency”. He provided a list of capabilities which can provide us with “agency”. Those with more capabilities have more “agency” to employ on their own behalf and on behalf of others. They can better govern the outcomes which they experience.

More importantly, it has been a premise of open systems such as capitalism and constitutional democracies that the individuals who drive results in such systems have effective “agency” to be self-reliant, resilient, and will not suffer from their autonomy and independence. Thus, some level of capacity at the individual level is necessary for such system to be morally acceptable. Where such individual “agency” falls short, the system too falls short in our esteem and in its ability to deliver fairly results across the lives of its participants.

Where individuals lose the efficacy of their agency abilities, perforce they must become dependent on others – family, patrons, the State – for their wellbeing.

The phenomenon of “agency” from the perspective of physics is like the heat or other form of energy which produces work. From the perspective of biology it is like the inexplicable force which brings life into being. From the perspective of chemistry it is a compound element– like H<sub>2</sub>O – bringing together different natural potentials into a new expression of material possibility.

Perhaps we should consider more seriously the various components which give us “agency”, those “capital” assets, which empowers us and allow us to manage our risks and, in fact, be self-reliant providing for our own good and happiness.

Emerson in his noted essay “Self-Reliance” concluded that each has a living property, “which does not wait the beck of rulers, or mobs, or revolutions, or fire, or storm or bankruptcies, but perpetually renews itself wherever the man breathes.” He was strong in the conviction that “through the whole universe is full of good, not kernel of nourishing corn can come to him but through his toil bestowed on that plot of ground which is given to him to till”. For Emerson the person alone was enough “capital” to invest and earn a return and from which to make a life worth living.

Unfortunately, the concept of “capital” has long been narrowly associated only with finance, with money in its various forms.

The Proto-Indo-European root word for our English word “capital” was *kaput* or “head”. Words associated with derivatives of *kaput* include that which is of the head, first in importance, excellent or first rate. The Latin adjective was “capitalis”. In the Middle Ages “capitalis” was joined with “pars” or debt to indicate the principal part of what was owed separate from interest payments. In 1610 English usage of capital referred to stock or property which was first in importance. In 1640 there was use of the word capital to mean that wealth used to carry on a business.

The word “wealth” too does not limit its meaning to only money and other tangible assets. In English, the modern word “wealth” derives from “weal” which indicates welfare or well-being in distinction to “woe”. The Proto-Indo-European root word for “weal” and “wealth” was *Wel-*, connoting abundance, very much of something. A cognate modern word coming from *Wel-* is “well”, which indicated good fortune, welfare, happiness.

Thus, when capital was used to indicate the wealth needed for a business, it also brought to mind possession of personal circumstances which provided well-being, welfare, good fortune and happiness in life.

We come to a similar conclusion when we analyze the etymological roots of the word “own” or “to own”. The idea evolving into our word began with the Proto-Indo-European idea behind *aik-*, which was “to be master of”, “to possess”. The root seems to be what a person is in command of, has authority over, the source of agency in that it can be deployed by a person to have effect. Though we most often think of a material context for ownership, the word need not be so limited. For example, we can “own up” to our responsibility or to a fault committed by means of our mastery over some action or thoughtlessness. We also say “to hold one’s own” meaning to stand firmly for oneself.

The word “own”, I suggest, points to personal agency, to all those personal attributes which are under our mastery, or to our character as a person. We own our personhood. At times we can degrade that ownership of ourselves by turning control over to emotions, to cognitive biases, to others, or to a surrender of our will to circumstances.

Thus even today we may still infer that what we call “capital” could include all that which is important for the wellbeing and good fortune of a business. Therefore, “capital” should mean more than money. It should bring to the minds of owners, investors, and managers all that leads a business to prosper.

The word “asset”, so often taken as descriptive of capital, supports a too narrow exposition of all that makes us wealthy. Speaking of “assets” too restrictively brings to mind cash equivalents and not the intangibles which give strength and purpose to our lives.

The core concept of “assets” uses the Latin word *satis*, meaning “enough”. In the 1570’s the word “assets” referred to having an estate upon death sufficient to discharge all debts. “Assets” were what could be monetized. By the 1580s the word was given a general sense of what could be owned, especially any property that theoretically could be converted to ready money.

Today under American law, a final account and petition for distribution of an estate can be filed by the Personal Representative when there are sufficient funds available to pay all debts and taxes, the time for filing creditors' claims has expired, and the estate is in a condition to be closed.

A similar restriction has been placed upon the word “labor” to distinguish it from property, or what was gained from labor. Though now long used in political economics as personal physical effort distinct from capital, the verb “to labor” also still implies strength of character - an asset of selfmastery – when persevering in accomplishment. The Latin verb *laborare* could refer to the following actions: to work, endeavor, take pains, exert oneself; produce by toil; suffer, be afflicted; be in distress or difficulty. The Latin noun *labor* similarly embraces not only work, but also toil, exertion, hardship, pain, fatigue. Thus, labor drew attention to performance, to undertaking a task, with all that implies for activation of our capacities, skills, creativity, ingenuity, diligence and other traits of character. Our labor, thus understood more capaciously, denotes our personal self in action. Without logical difficulty we can say that labor is the intentional application of personal agency in time and space. It is what we use to make the most of our lives.

In his seminal description of the new system of wealth creation which had emerged in his time, Adam Smith wrote of “stock” as the monetizable assets needed for a firm to succeed. But at the same time, for example in his description of the division of labor in the pin factory which gave an exponential increase to the daily production of straight pins, Smith noted the importance of what today we call “social” capital or “human” capital. His depiction of the necessary reliance of every seller on the value preferences of consumers further grounded his understanding of the “origins” of the wealth of nations on moral conditions for exchange.

In his pioneering exposition of the inner workings of a new economic system springing up around him in Scotland and England, Adam Smith astutely observed that valuable factors of production included more than labor power, money, and land.

First, he presumed that individuals had to bring substantive advantages to market if they were to profit from others: "Nobody but a beggar chuses to depend chiefly upon the benevolence of his fellow citizens." Every individual needs assets in order to be an independent author of personal well-being and advancement. "As it is by treaty, by barter and by purchase, that we obtain from one another the greater part of those mutual good offices which we stand in need of, so it is this same trucking disposition which originally gives rise to the division of labor." What each individual brings to the commons determines the value of what he or she receives in return. Such capacity to contribute is a resource which empowers. "Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society."

Sometimes, Smith observed, what is brought to the common weal is "an uncommon degree of dexterity and ingenuity, the esteem which men have for such talents, will naturally give a value to their produce superior to what would be due to the time employed about it. Such talents can seldom be acquired in consequence of long application, and the superior value of their produce may frequently be no more than reasonable compensation for the time and labor which must be spent in acquiring them." Smith observed that different trades and professions earned more or less for those so engaged according to the correlation of a person's education and insight and the probability of success. Such education and insight functioned as capital assets, attracting the confidence of others over and so determining market judgments on the quality and price of the goods or service provided.

Talent is an economic advantage, an intangible asset which earns a return, a human capital.

Smith noted in addition that some labor is not mere physical exertion. It is another kind of talent – the skill of inspection and direction of the work of others, the skill of management. Some of the wages paid to such a worker reflects the value to the business of such inspection and direction and is a measure of the "trust" reposed in the worker's knowledge, judgment, and discretion. Those personal capacities for management and for deserving trust are assets of the individual employed, assets like money which is contributed to production for a return to the owner. Smith understood that small trust in a worker deserved less remuneration than that received by one capable of being greatly trusted with authority and responsibility. "When a person employs his own assets in a business, "the credit which he may get from other people, depends, not upon the nature of his trade, but upon their opinion of his fortune, probity, and prudence."

Years later the American financier J. Pierpont Morgan had these words of advice: "Money equals business which equals power, all of which come from character and trust." "The first thing (in credit) is character... before money or anything else. Money cannot buy it." "A man I do not trust could not get money from me on all the bonds in Christendom. I think that is the fundamental basis of business."

The conflating of "capital" with money and finance was accomplished later in the 19<sup>th</sup> century. Christian moralists like Charles Dickens disparaged market economics on the grounds that they depended on greed, an unworthy predilection of more vulgar minds. Most importantly, Karl

Marx wrote his treatise *Das Kapital* to damn what would thereafter be called “capitalism” for replacing moral responsibility with the “cash nexus”.

Today, in a post-industrial society, we can better understand that the value of a firm depends on more than its cash accounts and its financial balance sheet. Firms need intellectual capital – patents, trademarks, trade secrets, proprietary know-how. They need good will. They need productive employees. They need brand loyalty among consumers. They need quality governance, a form of social capital.

Today for most companies, their market value – set by public trading or inferred by a net present value calculation – is much larger than the net assets stated in their financial accounts. Thus, the total capital which is used in making profits encompasses more than what can be quantified in monetary units. Such total capital includes financial, social, human, and natural capitals.

This concept of capital in macro economics is similar to Total Factor Productivity used in measuring national GDP. Calculating a firm’s total capital is recommended by the International Integrated Reporting Council. ( ..... ) The World Economic Forum measures countries for their achievement in creating human capital. The World Bank 2015 report human capital .

Once capital is understood as a composite, its vital contribution to human wellbeing appears.

For individuals, capital provides a buffer against bad luck – against risk. Capital provides resilience.

Simultaneously, it also provides individuals with means to obtain advantages, to turn risk into reward.

Capital functions as a resource. It is an asset. It is used. It has dynamic and static qualities. Dynamically, it is energy which flows through time and spreads across space. Statically it can be stored and kept over time for use upon demand. Thus, money, for example, either can be spent or kept in a safe. Skills and learning acquired through education can be applied in the present or kept in mind for future use. Our earned reputation stays with us and it acts on our behalf in a moment of engagement with others. Our personality with its components of ego identity, introversion, moral compass, ingrained habits both good and bad, is always with us and acts on our behalf every waking minute of our lives, and sometimes in our sleep in the form of dreams.

A conclusion then is that to live well we need to acquire and protect assets, and not only financial assets.

When we make a comprehensive list of possible individual capitals, we are forming a concept of the properties of a person in a more scientific sense. In physics and chemistry, a property has the meaning of a capacity, a tendency, a causal contribution to an outcome. For example, the property of carbon as a diamond is different from its property as coal. The property of carbon when infused with the property of hydrogen in a specific ration of one to the other creates something with new properties – hydro-carbons. Similarly, the property of ice is different that the properties of both water and vapor. Each property has its own use.

A root word for “property” in Latin is *proprietatem*, or having a special, inner, private character, or quality, such as coming under exclusive ownership. The Latin word was borrowed from the Greek idea of *idioma*, meaning peculiar, idiosyncratic, idiomatic. The Latin cognate word *proprius* means one’s own, particular to itself, special, proper and correct, from *pro privo* “for the individual, in particular,” from ablative of *privus* “one’s own, individual”.

Thus, what is proper to a mature person of sound body and disposition is not transient. It has substance which produces a felt presence in the world around it.

Capital goes hand in hand with human freedom or liberty. Without capital it is very hard for individuals to be free or to experience liberty. With capital they are positioned to seek and find their chosen destinies. Idealism and aspirations, that which gives purpose and meaning to life, become practical wisdom for those who have capital. For those without capital, little can be made of life that is more real than cynicism and despair.

That a person’s capital account, so to speak, can include a versatile range of properties can be confirmed with an analogy to factors of production, traditionally listed as land, labor and capital. One commonality among the three is that they can be let for a price. There is rent for land, wages for labor, and interest or dividends for money. The accounting custom is to pay for a factor in segments of time used. Rent is charged per month or year; wages by hour, day, week or month. Money at a rate for interest or a share for dividends, calculated on a monthly, quarterly, or yearly basis and so paid over to the provider of the asset.

Yet when labor earns a bonus or a share of the profits, something other than hours worked is used to justify the return on the contribution to productivity of that individual. As with land and money, the special “properties” contributed by the person for use in production of the good or service are rewarded with wealth measured in money. What the person so contributes is, therefore, like the assets of land or money.

Like the landowner and the financier, the worker brings assets, not just physical exertion, to the productive process of wealth creation.

Part of a person’s capital might be that which Aristotle associated with virtue. Cicero in his book *De Officiis* advised that we will have better, happier lives if we acquire skills in applied ethics – combining the *honestum* or what has moral integrity for ourselves and in our relationships with others with the *utile* – that which has utility, provides practical advantage.

In Buddhism, the reality of living in the Dharma is a state of being which is our capital. Buddhism therefore teaches how we can enhance the quality of that state with the skills of Mindfulness which are readily at hand as we apply our will.

Confucius and Mencius advised that each of us can better our lives by taking responsibility for our relationships and living up to the expectations others have of us to live with reciprocity. This inner capacity of soul and personal dedication was called virtue (*Te*). It was a form of personal capital.

Catholic Social Teachings emphasize human dignity in that we are created by God with capacities and a moral competence. The existential reality which can uphold that dignity is our personal capital.

The early Calvinist political philosopher Johannes Althusius insisted that all people are destined to associate with one another (*consociandi*). Human life, accordingly, proceeds along symbiotic processes. To live well, each person must be adept at the practices of association and symbiotic reciprocity. The capacity so to live is an asset of each person. The quantity and quality of that personal asset advance or impede how that person experiences the outcomes of life.

In particular, each person needs the capacity to mutual access to whatever is useful and necessary for the exercise social life. No person is by nature endowed with the requisite necessities; no person is self-sufficient, needing social support to live and, more importantly, to live well. Each person must have as an end of personal effort a just, happy and comfortable symbiosis and must acquire the means to achieve that end.

Each of us comes into the world with intellectual and moral skills to acquire capital. But those skills are our only natural capital. Althusius calls these "the seeds of virtue implanted in our souls"

But, as we come into the world in different social, economic and political circumstances which differently enable us to acquire less-natural forms of capital from our families, our education, our social access to property.

Calvinists such as Puffendorf wrote about the "duties" we can assume which will lead to better fortune and better relationships. Even Nietzsche, the nihilists, in his reducing human life to the "will" to power was using "will" as the sum and substance of a person's core capital, that which carried a person through life with purpose and independent living. Adam Smith followed this understanding with his extensive discussion of our moral sentiments – how we acquire them, how we use them, and how they serve our wellbeing. Smith is quite comfortable in presenting moral sentiments as a kind of individual asset to be acquired, saved, and used profitably to improve our wellbeing.

Qur'an similarly informs us that each person was created by God to serve as a steward in life. To perform the work of stewardship, each person is endowed with character and potential, held in trust. With respect to financial capital, Qur'an is explicit that no person should be subjected to excessive risk which might destroy the capital they possess with which to do their duty.

More specifically, Qur'an calls upon individual persons to act upon their stewardship obligations. The outcome of their actions should be justice – *Adl*. Powers and abilities are given to people as trusts – *Amanah* – to be used, not reserved for selfish enjoyment. Individuals are given the ability to think, reason and reach conclusions – the faculty of *Ijtihad* which must be used in consultation with the thinking of others *Shurah*) and be open to a merciful conscience (*Rahmah*).

Under Qur'anic guidance all people are called to seek certain purposes with their talents and their resources: 1) respect for and promotion of life; 2) Respect for and promotion of good values and human nature (religion and civilization or *din*); 3) Respect for and promotion of knowledge and thoughtful conduct; 4) Respect for and promotion of property; and 5) Respect for and promotion of family and progeny. The return on such actions is a balance (*Mizan; Wasatiyyah*). The resources – real and spiritual – which are put to work, which provide energy for accomplishment – should be considered assets of the person seeking to improve the world, in other words, as capital.

Contemporary moral philosopher John Finnis arguing from ideas about natural law only concludes that each person deserves to have seven fundamental goods: life, knowledge, play, aesthetic experience, sociability of friendship, practical reasonableness and religion. Finnis's proposals have been described as follows:

Life brings a vitality that enables a person to gain strong willpower. Knowledge is to be acquired by the individual as a habit of pure desire to know, simply out of curiosity, as well as a concerning interest and desire for truth. Play is expression of the person's subjectivity and imagination. Aesthetic experience is similar to play in that it is subjective and uses the faculty of the imagination. Sociability is realized through association and friendship; it is both a personal capacity to engage and a personal benefit. Practical reasonableness uses a person's intellectual ability in making the choices that ultimately shape one's nature and the quality of one's life. Religion is a sphere of personal being which responds to a concern for a simplified distinct form of order, wherein an individual comes to recognize a sense of personal responsibility.

These seven goods serve a person as resources and capabilities. They are assets making possible risk investment in personhood.

To more accurately account for the forms of capital which enhance our lives, the function of each capital can be described.

An individual's total capital might well be included in John Finnis's list of human goods which we can accept as truly applicable to living a good life.

If capital understood upon the whole is such a fundamental human good, then our political, social, and economic systems have a duty to assist us in the acquisition and maintenance of our capital assets.

With respect to the economy that calls for financial empowerment of individuals – enhancing their access to and ownership of capital asserts.

In the 1950's Mortimer Adler and Louis Kelso proposed a different relationship between labor and capital than held by conventional market analysis of economic growth. Alder and Kelso gave capital a greater role in wealth creation as a result of structural features introduced by the industrial revolution. Their observation, given the ungainly name of "Binary Economics" was that capital not labor was doing ever more of the work in an economy, and was creating ever more of wealth and was contributing ever more to economic growth. They insisted that increases in capital productiveness rather than increases in human productivity contribute more

to growth. They concluded “capital is the primary source of affluence, whereas labor rarely produces more than subsistence.”

Now happily Binary Economics includes more than finance and tangible assets in the capital stocks which work away to create new wealth. They consider capital to be that which is used to produce goods and services. So quality human capital, though paid a wage, earns more than merely providing an energy equivalent in horsepower. As a form of intangible capital, it earns a return on its contribution to sales and profits as an asset.

The recommendation of Binary Economic, then, is to provide all with access to ownership of capital. Simply put, Kelso recommended loaning money to workers for them to buy ownership shares. Dividends on the shares would pay off the loan. Once the loan was paid, all earnings on the shares in the enterprise would go to the worker as owner, including a share of the earnings of all forms of capital used by the firm in its seeking profitable returns.

In short, the proposal is to empower individuals by providing them with assets, to give them a balance sheet of significance where risk would be offset by capital.

In the United States, Kelso’s idea was adopted in the Employee Stock Ownership Plans where employees could borrow money to buy ownership shares in the companies for which they worked.

The insight of Binary Economics has been recently echoed by Thomas Piketty in his book *Capital* where he argues that  $r > g$ : the return on capital (in his case only financial capital) –  $r$  – is greater than the rate of growth –  $g$ . Thus, Piketty argued, those with wealth would always have as greater share of national wealth and income than those who only worked for wages. Piketty indirectly recommended an asset accumulation approach to better balancing the distribution of wealth between the top 10% and the bottom 50% of any society. He proposes high taxes on the wealthy to be used by government to fund acquisition of social and human capitals by those in the lower income quartiles, in addition to subsidies of their living expenses.

If the policy vector preferred by Binary Economics and Piketty is, roughly, to give individuals more capital assets to call their own, the range of capitals which they should acquire needs to be set forth and evaluated for impact and efficiency in improving their ability to obtain lives of quality and acceptable risk.

Amartya Sen made a list of capabilities which we should review for their possible inclusion in a list of fundamental human capitals. His approach reflects a vision of total capital at the level of the individual. He drew our attention to individual differences in the ability to transform resources into valuable activities, the variety of activities giving rise to happiness, and having a balance of materialistic and nonmaterialistic factors in evaluating human welfare. Sen defines the most promising individual, a person with agency, as someone who acts and brings about change, whose achievement can be evaluated in terms of his or her own [values](#) and goals.

Sen’s colleague Martha Nussbaum offered a list of capacities supporting individual agency. Each of these capacities can be considered as an asset of an individual who has agency.

- *Life*. not dying prematurely, or before one's life is so reduced as to be not worth living.
- *Bodily Health*.
- *Bodily Integrity*.
- *Senses, Imagination, and Thought*. Being able to use the senses, to imagine, think, and reason—and to do these things in a "truly human" way, a way informed and cultivated by an adequate education, including, but by no means limited to, literacy and basic mathematical and scientific training. Being able to use imagination and thought in connection with experiencing and producing works and events of one's own choice, religious, literary, musical, and so forth. Being able to use one's mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise. Being able to have pleasurable experiences and to avoid non-beneficial pain.
- *Emotions*. Being able to have attachments to things and people outside ourselves; (Supporting this capability means supporting forms of human association that can be shown to be crucial in their development.)
- *Practical Reason*. Being able to form a conception of the good and to engage in critical reflection about the planning of one's life. (This entails protection for the liberty of conscience and religious observance.)
- *Affiliation*. Being able to live with and toward others, to recognize and show concern for other humans, (Protecting this capability means protecting institutions that constitute and nourish such forms of affiliation, and also protecting the freedom of assembly and political speech.)
- Having the social bases of self-respect and non-humiliation; being able to be treated as a dignified being whose worth is equal to that of others.
- *Play*. Being able to laugh, to play, to enjoy recreational activities.
- *Political*. Being able to participate effectively in political choices that govern one's life; having the right of political participation, protections of free speech and association.
- *Material*. Being able to hold property (both land and movable goods), and having property rights on an equal basis with others; having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure. In work, being able to work as a human, exercising practical reason and entering into meaningful relationships of mutual recognition with other workers.

In 1990, the UN Human Development report began to measure some of these capacities as provided by different sovereign nations as the Human Development Index ("HDI") to more or less successful national development efforts.

In the tradition of virtue ethics, a basic asset permitting one to live well was having sufficient strength of will to overcome wayward and selfish inclinations. Thus, possessing virtues could be added to the asset ledger of one's capacity for agency. To the contrary, wayward and selfish inclinations – vices – would be added to the liability side of one's capacity for agency.

In Buddhism personal assets are the capacity to have:

- generosity, giving of oneself
- morality, proper conduct
- renunciation
- transcendental wisdom, insight, discernment
- energy, diligence, vigor, effort
- patience, tolerance, forbearance, acceptance, endurance
- truthfulness, honesty
- determination, resolution
- goodwill, friendliness, loving-kindness
- equanimity, serenity

And personal inclinations towards the following would be liabilities of character giving rise to hardships and disappointments in life:

- greed
- hate
- delusion
- conceit
- wrong views
- doubt
- torpor
- restlessness
- shamelessness
- recklessness

In his *Nichomean Ethics*, Aristotle isolated these virtues as enhancing one's agency in life:

- Courage in the face of fear
- Temperance in the face of pleasure and pain
- Liberality with wealth and possessions
- Magnificence with great wealth and possessions
- Magnanimity with great honors
- Proper ambition with normal honors
- Truthfulness with self-expression
- Wittiness in conversation
- Friendliness in social conduct
- Modesty in the face of shame or shamelessness
- Righteous indignation in the face of injury

In the Catholic tradition, Dante provided a list of seven vices which would draw one into difficulty and loss:

- Pride or vanity:
- Envy or jealousy:
- Wrath or anger:
- Sloth or laziness
- Avarice, covetousness, or greed):
- Gluttony:
- Lust:

The most thoughtful Simone Weil just before her death in 1943, in proposing how France could rise out of the oppressions and divisions of the war, wrote of what every person needs to prosper in life. She called these goods - really assets sustaining a healthy personality and giving it resilience - the “needs of the soul”. These intangible assets, she proclaimed, nourish the soul, which is what gives meaningful life to individuals. Among the personal assets she prescribes are: order not confusion among our moral obligations; a liberty to choose, provided by others who respect our capacity for agency; to feel useful, to be expected to take initiatives and be responsible; risk tolerance; to have symbols which confirm the morality of our place in the world, a conviction that we have a vocation; honor, public acknowledgement of sharing in a noble tradition; no weight of fear or terror on the soul; wealth but not idolatry of money, which is unhealthy; a conviction that one has a civic life as part owner of the collective; truth; and finally, the soul’s most needed nourishment - to be “rooted”.

A society which does not or cannot nourish the souls of its constituents fails them grievously. Weil believed that such a society condemned its members to “a spiritual lethargy resembling death”. Alternatively, those whose souls are on starvation diets are tempted to “hurl themselves into some form of activity necessary to uproot those who are not yet uprooted or are only partly so. Thus, when society starves the souls of its members, it destroys their human capital. They suffer and, through their uprootedness, they destroy social capital, which in turn further degrades human capital.

Professor David McClelland postulated a relationship between successful economic development, with all its benefits for better quality of life, more public goods, and a more robust civil society, and a personal motivation he called “need Achievement”. For McClelland, the Achievement motive in a person drew forth behaviors conducive to economic growth. Thus, such a motive was a form of human capital contributing to the formation of financial capital.

McClelland and his associates studied other motivations which propelled individuals towards selected actions with social consequences, some positive and some negative. Thus the particular motivation could be considered a positive form of human capital if it lead to positive social outcomes but a negative form, a social and perhaps also a personal liability, if it brought about dysfunction or harm.

One such motivation was a “need for power”. A strong power motive could lead to anti-social aggressive behaviors injurious to the group. As a result, many individuals with a strong power motive thinking poorly of themselves for alienating others with rebellious, resentful and sulky

behaviors. Women with high power motives often described themselves as cynical, bitter, and resentful.

On the other hand, as part of a different personality, a strong power motive might inure a person to danger and risks and so bring about needed courage and leadership in difficult times. Persons with a strong power motive are associated with building alliances in small groups and driving group action. A strong power motive though tends to promote a habit of collecting prestige possessions like money, higher organizational position, conspicuous consumables.

According to McClelland, the impact of a person on his or her society can reflect a motive for affiliation, for building social capital in the form of comfortable cooperation; a motive to avoid others, which diminishes social capital, out of fear of failure, rejection, success, power, intimacy.

Such motivations should be thoughtfully considered when taking stock of a person's total capital assets and offsetting liabilities.

An article in the August 2020 McKinsey Quarterly by Lisa Christensen, Jake Gittleman, and Matt Smith proposed a similar kind of personal asset: the ability to be an intentional learner. They affirm that intentional learners possess "what we believe might be the most fundamental skill for professionals to cultivate in the coming decades. In the process they will unlock tremendous value both for themselves and for those they manage in the organizations where they work."

Their definition of Intentional learning exposes it as a personal asset: "an investment we make in ourselves, but it is equally an investment we make in our professions, our families, our communities, our organizations, and the world at large. In that way, it just might be the most fundamental skill for professionals to cultivate."

Then they argue that acquisition of intentional learning as a habit comes from having an appropriate "mindset". Thus, the mindset itself comes a personal asset, a source of efficacy and wealth creation. Mindsets, they write, are powerful, often exerting tremendous influence on behavior, sometimes unconsciously.

#### A growth mindset

Stanford psychologist Carol Dweck suggests that people hold one of two sets of beliefs about their own abilities: either a frozen or a fluid mindset. A frozen mindset holds that personality characteristics, talents, and abilities can't be altered, changed, or improved. In contrast, a fluid mindset suggests that its owner can grow, expand, evolve, and change. One's capacity is not fixed but can be made more ample and resilient, more efficacious.

To habituate oneself with using the powers of a fluid mindset one should:

Set small, clear goals

Remove distractions

Actively seek actionable feedback

Commit to tasks in areas you want to grow in

Practice regular reflection

A related personal asset promoting agency is the ability to avoid cognitive biases. These biases interfere with good judgment, wise decision making, and successful engagement with others. Examples of cognitive biases are: overconfidence, self-serving bias, follow the herd, loss aversion, acceptance of media narrative or other framing bias, anchoring in old data bias, confirming old perceptions bias, overestimating the chances of positive outcomes and underestimating the probabilities of negative outcomes.

Yet again a frame of mind positions our habits and abilities, which, in turn, often determine our life outcomes.

In 2014, Angela Duckworth encapsulated her understanding of what contributes to an individual's success in life as "Grit". She specified the components of "Grit" as: courage; conscientiously pursuing achievement instead of dependency; follow through on long-term goals with endurance; resilience through optimism, confidence, and creativity; and choosing excellence over distant perfection. Possessing such "Grit" is an asset of the mind and psyche.

Responding to vulnerabilities and lack of achievement in your children, educators in the United States have developed programs to foster Social and Emotional Awareness. In prior generations, this kind of coaching in balancing autonomy with successful interpersonal relationships was called "character building". The domains of important social and emotional accomplishment are:



Possession of such personality skills adds important resources (assets) to the psycho-social heft of any individual with respect to navigating the risks of life and coming out on top of the vicissitudes encountered.

A practical way forward to concretize this more fundamental and human concept of the value and assets which should by right be the possession of each person would be to format a “balance sheet” for human capital. Such a balance sheet would record assets and liabilities for each of three forms of capital – financial, social, and moral character or “human” capital. Positive balances for financial assets, social skills and resources, and personal values and habits would be assets. Financial debts, social vulnerabilities, and personal limitations such as cognitive biases, depression, ignorance, would be liabilities of the person, obstacles to his or her finding sustainable well-being.

### **Conclusion:**

Agency is that which permits individuals to be free and to express their humanity and their dignity. Agency has value. It is an asset and not a liability. Protecting a person’s agency defends their ability to be human, a status to which they have an inherent right.

Agency can be expressed only by use of powers under the direction of the person. The total of those powers, less that which detracts from their exercise or which inhibits or compromises the force and reach of personal agency, is the net asset value of a person’s agency. A hypothetical balance sheet of individual assets and liabilities is attached.

This hypothetical balance sheet is proposed to answer the question “what is a person’s capital value?” But each asset and liability to be recorded on the proposed balance sheet brings forth new questions: what are the proper components of a person’s capital? how should each such components be measured?

The achievement of human wellbeing and felicity comes with the application of capital to our various vocations. If human rights are to provide vehicles for human dignity to manifest itself, then each individual has a claim to the ownership of capital. A society is therefore just to the extent it facilitates such acquisition by individuals of the powers and force fields which make personal agency a present reality.

Giving scope to human rights is protecting a very valuable life force – the realistic possibilities generated by an individual’s application of his or her capital.

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