

## Moral Education for Structural Change

Howard Richards<sup>1</sup> & Sarah L. Watson<sup>2</sup>

<sup>1</sup>PhD in Educational Planning from University of Concepción, Chile, with an emphasis on applied psychology and moral development, USA

<sup>2</sup>Doctoral student in Social Change, Western Institute for Social Research, Berkeley California, USA

Correspondence: Howard Richards, PhD in Educational Planning from University of Concepción, Chile, with an emphasis on applied psychology and moral development, USA.

Received: September 19, 2018

Accepted: July 14, 2019

Online Published: July 22, 2019

doi:10.11114/ijce.v2i2.4399

URL: <https://doi.org/10.11114/ijce.v2i2.4399>

### Abstract

The experience of the education for the social responsibility program at the University of Concepción suggests the viability of large-scale moral education forming a functional, realistic, and socially unifying ethical conscience. Three educational principles supported by scientific findings are proposed to guide moral education: understanding, participation, and empathy from experience. Taking as an example the 'structural trap' by which the good intention of complying with social human rights such as health, ends up discouraging economic investment, it is suggested that good large scale moral education is capable of facilitating the overcoming of structural obstacles to solutions to social and ecological problems.

**Keywords:** moral education, large group psychology, unbounded organization, solidarity economics, role-taking, participation, empathy, structural change

### 1. Introduction

At the beginning of his 1947 book *Humanismo Social* (Hurtado, 1947) a book defined as an essay in social pedagogy addressed to educators and parents, Saint Alberto Hurtado wrote: 'A great principle well understood is the foundation of a moral doctrine and it will allow those who assimilate it to solve the difficulties that arise,... it will form a state of mind in it that will prepare it to receive the solution; it will give them a spontaneous sympathy for the truth, ... dispose them to embrace it, create in them an attitude of soul that is much more important than science itself. When this attitude exists, the discussion is greatly facilitated, the truth penetrates smoothly, the resistances soften or fall apart. That is why before beginning to study the problems and before talking about reforms and achievements, it is necessary to create in the soul a social attitude, an attitude that is the vital assimilation of the great principle of fraternal love (Hurtado, 1947).

Today, in 2018, almost three quarters of a century later, we have the benefit of a series of studies and experiences that allow us to articulate the vision of the Chilean saint with greater precision and put it into practice with a more solid scientific foundation. We are in a position to plan educational projects whose immediate purpose is to facilitate moral development, and whose eventual result is to open the way to solve those social and ecological problems that require changes in basic social structures.

### 2. The Thesis

This article presents the thesis that it is possible and necessary to transform social structures using methods that apply findings of current psychology. These methods include: moral education, which includes the formation of social and emotional maturity, self as well as group organizational development and community development.

Given the structural nature of many social problems, I am proposing the thesis that moral education can open the way to overcoming them. On the assumption that mass moral education will generate abundant goodwill and ethical commitment, we would be able to achieve structural changes.

The thesis is not about just any structural change. It is about functional changes to meet the vital needs of human beings in a sustainable harmony with the other living forms that share the planet with us. But let's go one step at a time. Before defending the thesis that the necessary changes would be possible, I sketch a proposal about how education could make this assumption a verified reality and not merely an imagined utopia. My proposal refers to psychological principles that

can be applied in multiple ways in countless contexts, whether the strategy of teaching be problem-based learning (PBL), learning by projects (LBP), learning plus service (L+S), or other.

### 3. Two Examples of Projects in Process

The University of Concepción is an organization with more than 30,000 members among students, teachers and support staff in a project to address structural change through moral education. The experience of the U of C profiles the theory that massive transformation is possible. Because of its size of this systematic effort, and because of its explicit incorporation of research findings from the field of the psychology of moral development, it is a precedent to be studied by all who try to learn from psychology to improve efforts to achieve economic and social structural change.

In South Africa with Gavin Andersson and others we are launching a project with even greater scope. Its theoretical framework highlights the Vygotskian tradition that the Chilean project in U de C also highlights (Andersson, Carmen, Labra & Richards, 2017). but does not exclude other sources. Its initial focus is on gender violence, and from there it will inevitably go on to improve human relations in the family and in the community. It will be a program of moral education in the broad sense referred to above. Its methodology combines community development with reality TV. The television broadcasts will report on one or another aspect of the problem and its solutions; on particular instances of success in reducing gender violence, within couples, families, or neighbourhoods. Participating people have the possibility to appear one day on television. A previous program carried out by the same institutions with the same methodology started by focusing on neighbourhood community development. It reached more than 7 million viewers in South Africa and neighbouring countries.

I comment first on the definition of social responsibility. Being responsible is to be functional. Responsibility, and in general morality and ethics (Mathieu, 2014; Varela, 1998) serve to satisfy vital needs like the need for food at the biological level, and the need for self-esteem at the psychological level. The overcoming of exaggerated forms of individualism and the consequent increase of solidarity results in an increase in social responsibility.

The word 'need' is a keyword. It serves to demarcate what is merely desired from what works to maintain vital functions. *Ceteris paribus*, what is necessary imposes on families the ethical duty to do what can be done to satisfy needs and often government has the duty to ensure their satisfaction. According to many religions and thinkers, needs impose duties on everyone.

The biologist D.S. Wilson, among others, has shown that the ethics of solidarity, which are usually taught by religions, are functional cultural adaptations to meet the demands of the environment. Thus, Wilson highlights a scientific discovery of great practical importance: The human being is a cultural being; without cultural, and therefore ethical, formation, a human is not a complete being; it is not in an animal living in an environment in which a body built according to the instructions of its DNA is ready to function (Tanner, 1985).

For structural change, it is important to derive from the ethic of care the principle of the duty to share the surplus. My book *Economic Theory and Community Development* develops this idea in greater detail (Richards in press). The surplus, by definition, is what one does not need. It is a corollary of a functionalist ethics that one should transfer resources from where they are not needed to where they are needed.

I also derive from moral realism the principle of unbounded organization. If ethics is justified because it works, and if the goal is to meet needs in harmony with nature, then human institutions and social structures must be modifiable. Whatever has a function can be evaluated using as criterion its degree of success in fulfilling its function. An organization with an alignment of sectors working together for the common good is in principle improvable so that it fulfills its function better. There should be no limits to the eligible forms of organization, and all of them should complement each other to better serve the common good.

### 4. Objections to These Philosophies

I sketch now in a brief form a response to a common objection against solidaristic and realistic philosophies. It is claimed that social responsibility for attending to the needs of others necessarily leads to the loss of all freedoms. This is the argument that Friedrich von Hayek used against the welfare state in 1944 in his book *The Road to Serfdom* (von Hayek, 2008). It should be noted that von Hayek's predictions of 1944 have not been verified. He wrote his famous book not as a polemic against the Soviet Union, whose sins against human freedom were already too obvious and well known, but as a polemic against social democracy. He argued that each time the state assumes more power under the pretext of contributing more to the common good and with the pretext of contributing more to the welfare of citizens, it embarks on a path whose inevitable end is the loss of all freedoms. Stalin and Hitler are examples of the inevitable end of the path whose beginning is social democracy.

In fact, in the thirty years after the publication of *The Road to Serfdom* the European social democracies built many benefactor states and there was no loss of freedom. Experience has shown that the defects of social democracy and the

causes of its current collapse are other; they are not its imagined incompatibility with freedom (Richards & Swanger, 2006; Habermas, 1998).

The research on the psychology of moral development by Martin Hoffman is relevant here.<sup>1</sup> Although it may be that certain abstract concepts of freedom are not compatible with certain abstract concepts of solidarity, in fact research shows that the most solidary people are also the people most respectful of diversity, the rights of others, and freedom. I suggest that a large part of the solution to the political problem of reconciling social responsibility with the liberties of individuals is to be found in the moral education of citizens.

Learning must be transferable to 'real scenarios,' (Navarro, 2015). 'The projects should address problems or real issues, not simulated,' (Navarro, 2015). The acquisition of professional skills should be oriented to their applications in real contexts (Navarro, 2015). With this criterion, surely, sooner or later, students have to realize that the solutions to some problems, including many of the most serious problems, require structural changes.

Even those problems that appear as pathologies of individuals, usually have roots (here I follow the definition of 'social structure' by Douglas Porpora) in cultural rules that constitute social positions that establish material relationships; for example, the positions of 'owner,' of 'employee,' and of 'unemployed.' (Porpora, 1993; Porpora, 2015). This is the case of problems such as '... abuse of chemical substances, early sexual behaviour, criminal behaviour, and desertion and poor school performance.' (Navarro, 2015) This is the case with those chaotic classroom climates that are inimical to learning partly or entirely because of dysfunctional homes and neighbourhoods.

### **5. The Educational Proposal**

There are three principles of a moral education that I would like to propose as essential.

The first principle is understanding. That is, the understanding of the points of view (perspectives) of others. There are many researchers who have found in the understanding of the situation and of other people's way of seeing it, and in the consequent overcoming of self-absorption, one of the keys to moral development. A great pioneer was Jean Piaget (Piaget, 1932).

Once the principle is understood, there are innumerable opportunities to apply it. For example, John Gibbs and colleagues have done perspective-taking exercises with imprisoned criminals. The prisoners play role-play on the stage of an improvised small theatre in prison. They take on the roles of their victims, while other prisoners act as criminals. Then they analyse their thoughts and feelings together. Gibbs and his collaborators have achieved measurable and significant reductions in recidivism rates (Gibbs, 2014).

The second principle in practice is participation, at first participation in conversations. In the best cases, the conversation underlies and / or jumpstarts agreement on common criteria and collaboration in action. On the theoretical level, the second principle is based on the works of a series of authors who study 'identity' and related topics such as self-image, reference groups, self and 'self as story. Erik Erikson tells us that identity is at the core of the individual and at the same time at the core of her cultural community. Erikson adds in somewhat opaque but profound words: identity is a process that establishes the identity between these two identities (that of the individual and that of the communal culture). (Erikson, 1994) Several recent authors consider that identity is the critical link that connects social structure at the macro level with the role played by the individual at the micro level (Lawler, 2013).

For Stetsenko and Arievitch (Stetsenko & Arievitch, 2004) the construction with others of the self and therefore of identity, is not just any activity but the 'leading activity' that defines a life. Steven Hitlin is perhaps the author who has been most explicit in connecting the development of the person's identity with the person's moral development, although Kohlberg himself implicitly connected them in his appreciation of Jane Loevinger's ego development theory (Hitlin, 2003).

Participation in conversations as well as role play, can be a therapy to get out of self-absorption. It socializes. It also requires the participants to run risks. When speaking, and therefore revealing to others something of the private ruminations of the inner self, the speakers run the risk of being ridiculous. There is a risk that others will reject what they say. Maybe they will reject the speaker. The rejection of her opinion can be perceived and interpreted to some extent as the rejection of her thoughts and values, as putting down her self-image; in short, as the denial of her being and identity.

On the other hand, while always being risk, participation is also validation. I postulate that when a person assumes the risk of revealing something of himself, he tends (with exceptions) to present his best and most pro-social self instead of his worst and most anti-social self. He looks for the validation of the self that is presented. The more he presents his best self, and the more it is confirmed, the more the better self grows and the more weight it has in determining his behaviour. A group of people exchanging ideas with each other is also validating ideas, and with them identities. In the vocabulary of Berger and Luckmann (Berger & Luckmann, 1968) they are maintaining subjective reality, perhaps transforming it.

In the vocabulary of George Herbert Mead, the self is formed by relating to the 'generalized other.' Everyone with whom we talk registers, even if only in a minimal way, as a member of the cast of characters that makes up our generalized other. New conversations and new collaborations generate, little by little, new generalized others. In the other generalized, some interlocutors count more than others. Similarly, 'Poza (Poza, 1998), points out that students do not reproduce any model they observe, but more likely those models with whom they identify, that is, those with whom they believe they share or want to share a common identity (Navarro, 2015).' Participation, obviously, goes hand in hand with understanding.

It is not easy to get participation. I say this from experience and I explain it at least in part as due to the fact that participation requires effort, and due to the fact that participation is a risk. I mention the case of the participatory budget (PP) in Rosario, Argentina. In Rosario as in many other cities, in the PP process neighbours are supposed meet to decide what to do with that part of the municipal budget destined to carry out public works in their neighbourhood. In 2008, after more than a decade of neighbourhood community development in the whole city, in a typical neighbourhood hardly more than 12% of the total number of neighbours participated (Richards, 2008).

From innumerable contexts, examples can be drawn of the effectiveness of participation well framed and facilitated to tie values to the identity of people. I take an example from the business world. Many, perhaps a majority, of the consultants of companies in matters of organization development (OD) include in their way of understanding 'development' one or more objectives that fit under the rubric 'raise the level of ethics.' For example, ethical issues, social responsibility and values arise several times in the popular introductory OD text by Gary McLean (McLean, 2005).

OD consultants often facilitate the participatory writing of 'missions' and 'visions' that state the values and goals of the organization. The mission, in the best cases -- and the best cases are every day more numerous--articulates in one way or another the organization's contributions to the common good. The OD process seeks the commitment of the staff of the organization, each and every one, with the mission. Nothing works without participation. Three experts on the subject prescribe: 'Get a consensus and complete the mission statement. Ensure that everyone agrees on the wording and on the concepts expressed. It is imperative to clarify to team members that this is their statement of purpose, and not just yours. It is imperative that they be inspired by it, and committed to it' (Wall, Sobal & Solum, 1998).

The third principle is empathy. As the book about educating for social responsibility at U of C (Navarro, 2015) says, empathy is an affect that is basic for pro-social behaviour. The scientific basis of educational practices that rely on empathy to raise the level of ethics finds support in biology and especially in the physiology of the brain (Feito, 2015).

The latest findings of science confirm the consequences of multi-millennial processes that occurred during the first 95% of the presence of the species homo sapiens on planet Earth, prior to the last ten thousand years. In this long period the human body was biologically programmed to be culturally/ethically involved. The vital core of any culture are the norms that organize the moral codes that have been for many millennia essential to the survival strategies of most of our ancestors.

Therefore, in our educational work to raise the level of ethics we have a hard-wired advantage in the blood and nerves of the human body as well as in the last analysis in the DNA. Although it is evident that anti-social individuals have been and continue to be increasingly abundant in the world today, the normal human being is pro-social. Normal humans respond to the fate of their peers with empathy. If a group is presented with concrete facts -for example, using videos or sharing their own experiences-- even if the facilitators do not articulate value judgments, it is most likely that the group will sympathize with the suffering they see or hear about. Normally, most will feel that something must be done to meet the vital needs of their peers.

There are, I believe, two corollaries for structural change. One is the duty to share the surplus. The second is unbounded organization.

I quote as a practical example an activity that we are now starting in the town of Limache in the region of Valparaíso, where I live. We plan for each Friday of the month at 19:30 hours the screening of a film on the subject of immigrants, followed by conversation. The films will present concrete facts about immigrants and about others who are affected by the dramas of migration. Migration is a current issue here and now, because Haitians are arriving in Limache these days. We will invite some of them to watch the films with us and to tell their own stories. We expect the films and the personal stories to trigger empathy. We rely on biology, and especially on the physiology of the brain, to energize moral education.

These are the three principles of my proposal. I do not limit myself to three because the storehouses of science do not contain more, but because this simplification seems to me manageable in practice. Even so, I feel the absence of a fourth. I fear that goodwill and ethical commitment - coming from many sources and augmented by educators facilitating more understanding, more participation and more empathy - will not change social structures without greater knowledge of social structures. Well-intentioned people often fall into what I call structural traps.

## 6. The Structural Traps of Good Will

Goodwill and ethical commitment often motivate attempts to comply with social human rights. In order to comply with human rights, free health services are increased. Retirement pensions are increased. Etc. Thus, public expenditures are increased.

Consequently, taxes are increased. Nowadays, the taxes that are levied on the poor such as VAT are usually increased first, which undermines the original intention to comply with human rights. Since such sources are insufficient, there are also increased taxes on investors and industries. Therefore, *ceteris paribus*, investors and industries move away, or do not come.

In other writings, I have proposed specific structural solutions to get out of structural traps.

## 7. Structural Change

Social structures are consequences of cultural rules that constitute social positions that establish material relationships. (Porpora, 1989; Porpora 1993; Porpora, 2015) For examples: the positions of 'owner,' of 'employee,' and of 'unemployed.' Although I hope that this brief definition will prove to be useful, I have developed in other writings more complete and nuanced concepts of 'social structure' and the related concept 'cultural structure' (Richards, 1995; Richards, 2004; Richards & Swanger, 2006; Richards, 2017; Richards, 2018).

If we think of 'social structures' as positions constituted by rules and establishing material relationships, then we can think of 'structural change' in two dimensions: (1) Those who occupy positions can be changed. For example, an agrarian reform can be carried out that changes the land tenure from a latifundial system to a system of small or medium owners. Or industries can be nationalized, placing the state in the position of owner. Or taxes can be imposed on inheritances tending to reduce social inequality by putting fewer people in the position of owners of large fortunes, and more people in the position of owning, for example, houses. Etc. (2) In a second dimension, structural change can change the rules that constitute the positions and regulate the behaviour of those who occupy them. A social responsibility education program such as the U de C can change the practices of professional graduates, and thus change the material consequences of the positions they hold. Structural change may mean adopting Gandhian ethics (Richards & Swanger, 2013) or Judeo-Christian or indigenous or socialist or ecologist or feminist etc. values and so constituting new positions. It can revitalize traditional positions now museumized, like the position of hostess for the *minga* (a position recently occupied by my friend Andrea when we held a *minga* to ready her house for the winter rains). Structural change can change the material consequences of the currently existing positions by regulating them with different cultural or even legal expectations. (Examples would be the King III principles, and Argentine laws making triple bottom line accounting mandatory). Etc. The following paragraphs mix these two dimensions.

My general thesis is that structural traps derive much power in the last analysis from excessively individualistic moral education. The young get an overdose of autonomy. They learn cultural rules that constitute the overwhelming power of a homeostatic system that counterattacks with capital flight and with disinvestment whenever it is attacked by justice or by ecology.

A moral education that socializes people with a realistic (that is to say, functional or solidary) ethic changes the foundations of social structures. Sharing the surplus and unbounded organization cease to be mere logical corollaries of the cosmovisions of counter cultures. They become normal common sense. The legal principles of property and contract become more functional and less ideological. Markets and profits become means, not ends.

Although this kind of moral education is not dominant, it is already happening. It is already slouching toward Bethlehem not to be born, but to be crowned. Many children are already brought up in counter-cultures that celebrate community and responsibility. Curricula all over the world, not just at U of C, are putting ethics in the spotlight for every profession.

From successful moral education many consequences follow. They make possible what is now impossible: social justice, ecological sustainability and peace.

From a moral commitment to meet and respond to needs I have derived two structural principles: share the surplus, and practice unbounded organization. They are 'derivatives' because in theory, as principles that define what should be, they are logical consequences of the criterion of solidarity. In addition, they are 'derivatives' because in practice the existence of a culture of solidarity makes it in fact more likely that human needs will be met and the biosphere will be saved.

## 8. Capital Flight

In the structural trap example, the presenting symptom of the fatal illness is capital flight. In the words of Thomas Piketty there is international tax competition. (Piketty, 2015) Each country competes with each other country to lower taxes on investment and industry in order to attract investment and to avoid the flight of the investments it already has. By broadening the focus, it can be seen that the presenting symptom is a manifestation of a deep pathology: the deep problem,

at a level geologist would call tectonic, is that the physical well-being of people depends on investments. If there is no investment (neither new investment nor capital to finance existing operations), there are long lines in the streets to get bread, diapers, and cooking oil; while meat is nowhere to be found.

Given that we live with the reality just described, that of an unjust and unsustainable system that defends itself with disinvestment when it is threatened, let us consider for a moment the possibility that neither moral education nor anything else can fundamentally change the system.

Even then –even on a scenario where the best we can do is short run consolation followed by long run extinction -- even then we can say that even if education cannot change structures, it can improve daily life.

It happens that in my neighbourhood there lives a penniless woman who a year ago suffered from serious and painful dental problems; and it happened that (for structural reasons) there was no possible public treatment without an intolerable wait. I made an appointment for her with my dentist, who holds a degree in dentistry from the U of C. She treated her not once but in a series of appointments and did not accept any payment. If instead of this individual case, we look at daily life inside the hospitals of the National Health Service, we will see that there are staff who (for structural reasons) are forced to work two shifts to support their families, and that there are shortages (due to structural causes) of essential medicines and necessary equipment. However, due to the human quality of the people, it is still possible to treat patients with respect and affection (Gallegos, 2016).

Moral education can raise the level of ethics, and a higher level of ethics can make it possible to change social structures. Humanity can escape from the structural trap that leaves health underfunded because there is no alternative to complying with the systemic imperative to avoid capital flight at all costs.

An antidote against capital flight is more education in social responsibility like that provided at U of C. A result of doing the same thing on a larger scale, and doing it successfully, would be an atmosphere of common commitment to the common good.

The flight of capital often is not produced by a lack of profitability, or by the attraction of higher profitability in jurisdictions with lower taxes. It is often produced by a polemical, tense, violent and unstable atmosphere. Capital strikes, like other kinds of strikes, can be political tactics; they can be weapons in the struggle for power in a context where the struggle for power is all there is. Their purpose can be overthrowing one government and replacing it with another.

## 9. A Culture of Solidarity

On the other hand, as Father Hurtado taught, when there are social attitudes, concrete solutions are greatly facilitated. Optimists like me believe that science has shown us how to implement the social pedagogy he envisioned. Now we know how to avoid descents into social chaos. There are known cures for the abysmal levels of morality that historically have often been both causes and effects of shutting down economies.

A culture of solidarity capable of warding off those economic and military catastrophes that happen for reasons more political than economic is still an incomplete solution to the specific problem of capital flight, and to the deeper tectonic problem of the physical dependence of the vital functions of life on investor confidence. The hard facts of the systemic imperatives of capitalism remain. Although a lack of profitability is often *not* the cause of the flight - or the non-arrival - of capital, it often *is*. I now consider two (although there are many more) remedies in the case when the flight - or lack of arrival - of capital is due to low or no or negative profitability.

First: The physical dependence of life on capital accumulation can be diminished. Solidarity economy can be promoted in its various forms at all levels. When we raise the resilience of families, neighbourhoods and communities; when we lower their vulnerability; then capital flight and economic collapse in general, even if they happen, are no longer humanitarian disasters (Richards, 2008).

This benign result is a foreseeable result of the growth and strengthening of all those sectors that produce and distribute goods and services without relying on what is now 'the system', i.e. on the investment of major sums for the purpose of producing goods or services to sell; where the purpose of the production and the sales is to turn the sum invested into a larger sum.

Here it is not a question of a few worker-owned cooperatives or recovered industries. Added up, the non-capitalist sectors are already the main sources of employment: They include everything called solidarity economy or popular economy, the majority of stores in the cities, those who work doing housework, plumbers and mechanics and other technicians, teachers and medical personnel in the public service, farmers markets, public companies like the EFE (railroads), small-scale agriculture, the majority of professionals, non-profit institutions, and so on in an endless series.

There are innumerable survival strategies for those who neither accumulate capital nor are workers of companies that accumulate. Some exist. Some used to exist but have fallen into disuse. Others have not yet been invented. The abundance

of alternatives is one important aspect of unbounded organization. There is an infinite number of institutional forms that can serve the purposes of meeting needs and saving the planet.

Plurality, creativity and pragmatism correspond to an ethic of care: You see a need, and you organize the means to meet it. Life continues even if there is no accumulator who allows the use of money if and only if the amount of money grows.

Also, in the capitalist sector itself, in the sector that *does* invest money in order to increase its profits, ethical motivations can and do have impacts. This is no small matter. The ethical inspirations of the investors, of the entrepreneurs, and of the technical cadres and workers of companies, is not a factor without consequences to avoid the flight or to obtain the arrival of capital. In general, to the extent that profitability is not the reason, or is not the only reason, for doing business, its low level does not have to mean queues in the streets for bread and other basics; low profits do not need to mean the empty shelves in the supermarkets that are seen in Venezuela today.

When the company is defined by its mission and thinks of profitability as a means and not as an end, the world becomes a little more human and a little greener. Meeting vital needs depends a little less on the dynamism of accumulation for the sake of accumulation.

Meanwhile, diminishing the physical dependence of life on capital accumulation is happening too. The many non-capitalist sectors are growing. Structures are changing. While the capitalist sector is becoming a more socially responsible collaborator with the other sectors in the common pursuit of the common good, it is also becoming a smaller percentage of the total economy. As the threat of capital flight becomes less threatening, formerly merciless budget constraints budge, then bend, then weaken. Long waits for hernia operations become the stuff of stories about the bad old days that senior citizens relate to children.

Second: A social attitude reframes creating surplus, identifying it, and sharing it can become the norm. It is first of all necessary to analyse whether a given company has created a social surplus. In principle, there is a surplus when profitability has fulfilled the social functions that ensure the viability of the company (such as paying the cost of capital and motivating its executives and employees). It generates resources that should be transferred. They might -should go, for example, to the National Health Service. Or they might-should go to fund dignified lives doing sports, or music, or science or doing some other intrinsically worthwhile activity; for the increasing numbers of people whom technology is making redundant in the labour market.

Prosperous businesses fulfill the social function of generating large surpluses, whether the surpluses are due to innovation. (Schumpeter, 1947), to barriers to entry and other forces that limit competition (Porter, 1985), to monopoly or oligopoly, or to some other factor that prevents competition from driving down prices toward the costs of production. Generating surplus is a key social function because if surpluses are small or non-existent, little or no surplus can be shared. Ethics prescribes sharing surpluses, transferring them from where they are not needed to where they are needed. Realism prescribes working with the world as it is, and not with an imaginary world of competitive markets that exists only in economic theories.

Even if they pay their employees well, and even if through taxes, through donations, and by operating their own charitable foundations, very profitable companies make large contributions to the common good, *there should be no capital flight*. If the company earns enough to pay the cost of capital and its other costs, and can pay its executives enough to keep them motivated, the company will not have a rational reason to flee the scene because of lack of profitability. If for some irrational motive, it does step out, other entrepreneurs will step in. The other entrepreneurs will see that they can make at least a good normal profit with a good normal return on capital, by occupying the niche that previously was occupied by the company that bugged out.

Still, there is nothing simple or clear cut about the technical calculations, political negotiations and practical judgments needed to identify surplus and to move it to its best use. A higher level of ethics –what padre Hurtado called a social attitude-- motivates applying social and ecological criteria when analysing the options. When there is a social consensus that surpluses *should* be generated and shared, it is more likely that surpluses *will* be generated and shared. In legal and constitutional matters, and in economic doctrine, flexibility and pragmatism become more likely.

I mention last the fate of another important class of companies: those with negative profitability. They are marginal, they are indebted, they struggle to survive. Eventually they close or resort to bankruptcy and reorganization laws. If it is not possible to reach agreement with the creditors and continue in a reorganized form, then they really must close. Nevertheless, their fate is not overly worrisome in a society that has heeded the good advice of Father Hurtado and made the formation of social attitudes the centrepiece of education. A moral education emphasizing understanding, participation and empathy and the creativity and critical problem solving they imply, can solve social and ecological problems when taught on a large scale. In such a society, the former owners and the former workers are not going to be abandoned. In an ethical society, nobody is going to be abandoned.

## References

- Andersson, G., Carmen, R., Labra, I., & Richards, H. (2018). Organisation workshop. Beyond the workplace: Large Groups, activity and the shared object. *Mind, Culture, and Activity*, 25(1), 86-99. Berger, Peter y Thomas Luckmann (1968). *La Construcción Social de la Realidad*. <https://doi.org/10.1080/10749039.2017.1386218>
- Buenos, A., Ediciones, A., Doyal, L., & Gough, I. (1994). *Teoría de las necesidades humanas*. Barcelona: Icaria-Fuhem.
- Erikson, E. (1994). *Identity: Youth and Crisis*. New York: Norton.
- Feito, G. L. (2015). *Neuroética: Las Bases Neuronales del Juicio Moral*. Tesis doctoral de la Universidad Complutense de Madrid, disponible en línea
- Gallegos, V. (2016). *La eficacia colectiva y el desempeño en hospitales públicos*. Tesis doctoral no publicada. Santiago: FAE-USACH.
- Gibbs, J. (2014). *Moral Development and Reality*. New York: Oxford University Press.
- González, R. (2017). (editor). *Ensayos sobre Economía Cooperativa, Auto-Gestionada y Solidaria*. Santiago: Editorial Forja.
- Habermas, J. (1998). *Problemas de Legitimación en el Capitalismo Tardío*. Madrid: Catedra.
- Hayek, F. (2017). *Camino de Servidumbre*. Madrid: Unión Editorial (original 1944).
- Hitlin, S. (2003). 'Values as the Core of Personal Identity'. *Social Psychology Quarterly*, 118-137. <https://doi.org/10.2307/1519843>
- Hoffman, M. (2002). *Desarrollo Moral y Empatía*. Londres: Idea Books.
- Hurtado, A. (1947). *Humanismo Social*. Santiago: Editorial Del Pacifico.
- King Jr, M. L. (2010). Where do we go from here: *Chaos or community?* 2. Beacon Press.
- Lawler, E. J. (2013). Being on the Edge of Chaos: Social Psychology and The Problem of Social Order. *Contemporary Sociology*, 42, 340-349. <https://doi.org/10.1177/0094306113484700b>
- Malinowski, B. (2013). *A Scientific Theory of Culture*. London: Read Books.
- Marti, M. (2010). *Razonamiento Moral y Prosocialidad: fundamentos*. Madrid: CGS.
- Martner, G. y E. R. (compiladores). (2013). *Radiografía Crítica al Modelo Chileno*. Santiago: LOM/USACH.
- Mathieu, F. (2014). *Les valeurs de la vie*. Paris: sin mención del editorial (libro Kindle)
- McLean, G. (2005). *Organization Development: Principles, Processes, Performance*. San Francisco: Barrett-Koehler.
- Mead, G. H. (1968). *Espíritu, Persona y Sociedad*. Buenos Aires, Paidós.
- Navarro, G. (editora). (2015). *Construcción de Conocimiento en Educación Superior*. Concepción: Universidad de Concepción. <http://www2.udec.cl/rsu/images/stories/doc/librocompetenciasgenericas.pdf>
- Piaget, J. (1932). *Le jugement moral chez l'enfant*. Paris: Presses Universitaires den France. Traducción 1984 *El Criterio Moral en el Niño*. Barcelona: Martínez Roca.
- Piketty, T. (2015). *El Capital en el Siglo XXI*. Santiago: Fondo de Cultura Económica.
- Popper, K. (2010). *La Sociedad Abierta y sus Enemigos*. Barcelona: Paidós (original 1944).
- Porpora, D. (1989). 'Four Concepts of Social Structure'. *Journal for the Theory of Social Behaviour*, 19, 195-211. <https://doi.org/10.1111/j.1468-5914.1989.tb00144.x>
- Porpora, D. (1993). 'Cultural Rules and Material Relations'. *Sociological Theory*, 11, 212-229. <https://doi.org/10.2307/202143>
- Porpora, D. (2015). *Reconstructing Sociology: the critical realist approach*. Cambridge UK: Cambridge University Press. <https://doi.org/10.1017/CBO9781316227657>
- Porter, M. (1985). *Competitive Advantage*. New York: Free Press. <https://doi.org/10.1108/eb039075>
- Pozo, J. I. (1998). *Aprendices y Maestros: la nueva cultura del aprendizaje*. Madrid: Alianza
- Richards, H. (1995). *Letters from Quebec*. San Francisco and London: International Scholars Press.
- Richards, H. (2004). *Understanding the Global Economy*. Santa Barbara CA: Peace Education Books.
- Richards, H. (2008). *Solidaridad, Participación, Transparencia: Conversaciones sobre el Socialismo en Rosario, Argentina*. Rosario, Fundación Estévez Boero. Disponible on-line en el blog [spot.lahoradelaetica.com](http://spot.lahoradelaetica.com).



- Richards, H. (2017). Economía Solidaria para Cambiar el Rumbo de la Historia. Textos no publicados para un seminario en la UNAM. <http://repensar.cl/para-cambiar-el-rumbo-de-la-historia/>
- Richards, H. (2018). On the Intransitive Objects of the Social (or Human) Sciences. *Journal of Critical Realism*, 17, 1-16.
- Richards, H. J. S. (2006). *Dilemmas of Social Democracies*. Lanham MD: Rowman and Littlefield.
- Richards, H. y J. S. (2013). *Gandhi and the Future of Economics*. Lake Oswego OR, Dignity Press.
- Richards, H., con el apoyo, de G, A. (en prensa). *Economic Theory and Community Development*. Lake Oswego OR: World Dignity University Press.
- Schumpeter, J. (1947). The Creative Response in Economic History. *Journal of Economic History*, 7, 149-159.
- Stetsenko, A., & Igor, A. (2004). The Self in Cultural-Historical Activity Theory: reclaiming the unity of social and individual dimensions of human development. *Theory and Psychology*, 14, 475-503.
- Tanner, N. (1985). *On Becoming Human*. Cambridge UK: Cambridge University Press.
- Varela, F. (1998). *Ética y Acción*. Santiago: Dolmen Ediciones.
- Wall, B., Mark, R., & Sobal, R. S. S. (1998). *The Mission-Driven Organization*. Roseville CA: Prima Publishing.
- Wilson, D. S. (2002). *Darwin's Cathedral*. Chicago: University of Chicago Press.  
<https://doi.org/10.7208/chicago/9780226901374.001.0001>

## Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the [Creative Commons Attribution license](#) which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.