

Chapter 2

Ethical Premises and Values

Abstract This chapter discusses ethical issues related to the main theme of the book: the consequences of a meta-ethical presupposition expressing the concern about future generations. These consequences include justice, sustainable development, but also objectivity treated as fundamental values—perhaps not fully attainable, but motivating our endeavours. Such a perspective resulted in taking up the problems of the future of work and a just social system in an advanced information society in this book. The chapter discusses related ethical problems in detail, ending with a discussion of examples of ethical corruption of markets resulting from possibilities offered by high technology.

Keywords Justice • Sustainable development • Objectivity • Ethics of future of work • Ethics of marketing • Technological possibilities of market corruption

I was motivated to write this book by a meta-ethical presupposition, a supposition of a deeper or rather higher level, from which diverse ethical commandments might result. In this, we should not be afraid of an infinite depth of meta-justifications.¹ There is no sense in looking for even deeper (meta-meta) justifications, if a given meta-ethical presupposition appears sufficiently general and intuitively telling.

Such presupposition expresses my own conviction that *after us, new generations of people will come that will further develop knowledge and civilization, but in conditions of (perhaps even growing) uncertainty concerning future crises and catastrophes, and our ethical beliefs should result from a concern about these future generations*. Many ethical conclusions follow from such presupposition.

¹This infinite depth is called by philosophers *the hydra of infinite regress* and treated as a paradox (since we must use a metalanguage to speak about truth, hence to analyse the truth of the metalanguage we would need a meta-metalanguage, etc.). We should not be afraid of such hydra, since—as it was shown in the book *Techne_n* (2011)—robots operate based on an infinite regress in negative feedback loops, and since they actually operate, an infinite regress can be treated as a paradox only in the same sense as the ancient paradox that Achilles will never overtake a turtle.

The first group of them was noted by Rawls (1971): since we do not have certainty as to the fate of our children and grandchildren, we should leave them possibly most just social relations and ethical precepts, serving them well even in the least favourable conditions; thus, *justice* is a fundamental value. However, this is not the only conclusion; another was noticed by Brundtland (1987) who postulated, in her concept of *sustainable development*, that we should leave to next generations similar conditions and opportunities (mostly concerning natural resources and natural environment) that we had ourselves. The third conclusion was noted in the book *Techne*_n (2011), supplementing the idea of Rawls: since we do not have certainty about the fate of our children and grandchildren, we should leave them possibly most certain and objective knowledge, helping them to overcome future crises and catastrophes—hence the value of *objectivity*, even if never fully attainable, is nevertheless a fundamental one, similarly as the values of *justice* or *sustainable development*. The fourth conclusion is similar (related to the unattainability of full objectivity), even if further-reaching: since after us next generations will come and further develop knowledge, *it is arrogant and conceited even to maintain that we have reached any absolute truth*. The fifth conclusion is developed in this book: we should utilize and transfer to next generations our knowledge in such a way as to prepare them best for future, predictable crises and challenges. The sixth conclusion—perhaps even a separate, second meta-ethical presupposition—was suggested by Bogdan Galwas: *people have duties not only to next generations; we should care of tolerable life conditions of all other people, perhaps even of all other cohabitants of Earth*,² because when we do not care about the present, no care about the future will be effective; moreover, it is unethical to remain indifferent to the extreme stratification and the fate of billions of people in deep poverty.

A reflection on this meta-ethical presupposition resulted from reading an excellent book of Roman Morawski, *Ethical Aspects of Research Activity in Empirical Sciences* (Morawski 2011); I agree with most theses rendered in this book, but the above meta-ethical presupposition results in a subtly different interpretation of ethical questions than presented there.

Roman Morawski has slightly simplified the ideas of John Rawls, without stressing the reference to future generations. And that reference is of fundamental importance, since it allows to interpret ethical problems in terms of evolution of civilizations. Let us consider the following mental experiment: let us ask the question whether old leaders (either individual, or group-wise) of human tribes considered premises similar to John Rawls while giving more or less advanced ethical codes to their tribes? Undoubtedly Moses, when giving the Decalogue to his tribe, was motivated not only by transcendental considerations, but also by pragmatic care about the welfare of this tribe in the future in a similar way as presented in the arguments of Rawls. And the children of this tribe learned ethical precepts from

²I am aware that this presupposition contradicts e.g. with fighting epidemics caused by viruses (since viruses are also cohabitants of Earth), but it can be also interpreted in the sense of the Buddhist principle *ahimsa*.

parents and teachers who used the Decalogue, forming their ethical personality in that way. This personality was called much later by Kant (1781, 1788) *categorical imperative* or *the moral law within us*.

Thus, ethics is a fundamental element of evolution of civilizations, and hence, it is relative in evolutionary terms: what was ethical behaviour in times of Hammurabi is not necessary ethical behaviour today. On the other hand, ethics is relatively durable in a given historical era, it is a *long-duration phenomenon* as proposed by Braudel (1979, 1995). Moreover, it is not necessarily relative in cultural terms: the ways of development of Christian, Muslim and Buddhist cultures are of course different, but the meta-ethical presupposition presented here is common to all mankind and ethical precepts resulting from it might be similar for all cultures.

It was precisely such a perspective that founded motivation to take up the problem of the future of work in this book, or—more broadly—the problem of a just social system in times after informational revolution, or in an advanced information society. It results from a conviction that an universal application of advanced information technology will change social and economic conditions very profoundly, leading to a new civilization era in which even our views on social justice might change.

From such consideration, many questions of ethical nature emerge.

Firstly, in a 100 or 200 years all production work—either in industry, or in agriculture, but also in mining etc., or even service and administrative work, which is discussed in further chapters of this book—will be automated to such an extent that a small group of specialists will be sufficient for its supervision. If we leave the issues of employment to the free market, then a free market of labour motivated by cost minimization will result in unemployment and social exclusion of the majority of world population. Shall we consider such situation as socially just and acceptable?

Secondly, in all our world we observe slow but inevitable increase of the average duration of human life, which is, of course, a proof of progress (above all in the knowledge and tools used by medicine, but also in the overall level of life and hygiene). The percentage share of people of post-productive age will, therefore, inevitably grow and result in increased costs of retirement systems. Already today, we hear that future retirement benefits should be decreased at least twice. On the other hand, the general increase of prosperity resulted precisely from the work of those elder people, so is it just that they will be discriminated?

Thirdly, contemporary capitalism—more the owners of large corporations than the actual originators of knowledge or art—propagates the concept of *intellectual property rights*: if knowledge and art have become a fundamental productive resource, then allegedly they should be treated as a commodity with a defined property right. The adherents of such a view of knowledge and art do not notice how the concept of intellectual property rights is a double-edged weapon, discrediting the practices of contemporary capitalism if consistently applied. Indeed, we should consider the question: *whose property is the knowledge of methods of automation and robotization of production, services and management?* I have been

working to create such knowledge for over 50 years and know well the people who create it; I believe we should be asked to answer this question. My answer is: *this knowledge belongs to all humanity and the profits from the utilization of this knowledge should serve all humanity*—and I know that most of automatic control and robotic specialists will agree with such answer. However, this means that the income (not only profits, rather the total income) from automated production and services should be highly taxed, and this taxation used to provide for a fair life of unemployed and retired people.

Fourthly, another question arises: *is work a fundamental value with an ethical dimension to it?* This is a difficult question since many people avoid work. However, we notice also that work with satisfactory results is an important factor supporting dignity and self-fulfilment of people; people deprived of work feel much inferior. It manifests itself, among other things, in the statistics of suicides in Poland, and their strong correlation with the loss of work. It can be a result of the tradition of industrial society where people loosing work felt socially excluded. However, it is a conviction that has penetrated individual and social subconscious. Therefore, we should admit that work has also an ethical dimension to it, supporting human dignity, self-fulfilment, and might be treated as a fundamental value. But this indicates that among fundamental human rights there is also *the right to work*—even if it should not be treated in absolute, unqualified, as we learned from the lessons of real socialism. Nevertheless, this indicates that *entrepreneurs after informational revolution should be motivated by a new ethical duty: to create new professions and places of work.*

From all such ethical premises, it follows that the contemporary capitalism, if it does not modify essentially its mechanisms, will encounter essential barriers of ethical development as a result of ruthless exploitation of high technology, automation and robotization. These ethical barriers will translate into political problems of deep social unrests and might lead to a global crisis as discussed in one of further chapters here. All this does not mean that I believe obliteration of capitalism is necessary. Capitalism turned out to be a better system than real socialism, even if not ideal, but more resilient to diverse adversities, precisely because it exploits human greed as a fundamental motivation. However, if such is the source of the advantages of capitalism, then—as already noted by Smith (1776)—it is necessary to restrain its mechanisms using ethical premises. And since these are changing—slowly, but inevitably with the development of civilization—we should change also the ways of restricting capitalism.

Many people hold similar opinions to those expressed above. For example, Adam Kalbarczyk, in his interview with *Gazeta Wyborcza* of August 14, 2014, expresses an opinion that “A fundamental difference between the right-wing and the left-wing is the attitude to social change and faith in its sense” and that “One cannot be a leftist conservative nor a rightist supporter of social progress, for such progress means more equality in opportunities and rights for people discriminated until now—for women, minorities and socially excluded—and less religious absolutism in public life.” However, I write this book because I have much more experience in automation and robotization, in an assessing their consequences, than

most people, as well as in forecasting future—see the quoted books *Techne_n* and *Report Poland 2050* (Kleiber et al. 2011)—hence I can more accurately forecast events which are distant in time.

We should also realize that a fundamental assumption not only of right-wing conservatives, but also of centrist neoliberals³ is the assertion that “everyone is responsible for her/his fate and such people have bigger returns on free market who simply deserve it”, but we should not agree with this assertion, since it is unethical (as it follows from the second metaethical presupposition).

A particular consequence of this assertion is *neo-Thatcherism*, an ideology promoting a thesis that each man or woman in future will be a self-employed entrepreneur, thus everybody will have the same chances. This ideology is represented, e.g., by a recent issue of *The Economist* (2015) with editorial papers *Workers on tap* and *There is an app for that*, in which the editors of this neoliberal journal express their delight that digital technology makes it possible for everyone to become an entrepreneur (one of subtitles is *Everyone a corporation*) and that the labour market will be very elastic when larger corporations will simply select workers to specific tasks using short-time outsourcing. This ideology neglects two fundamental aspects. Firstly, the social distribution of talents and entrepreneurship is uneven, hence only a small part of self-employed entrepreneurs will achieve success. Therefore, the economic stratification will further deepen—the more so that high technology requires more knowledge and luck for its successful economic application. Secondly, since there will be less work due to automation and robotization, a majority of those self-employed entrepreneurs will be simply destined to bankruptcy and life in slums.

People that are more capable, talented and entrepreneurial have, in my opinion, also more duties to society—and precisely *the creation of new places of work or even professions becomes such ethical duty of a capitalist in the time after the informational revolution*. The contemporary capitalism should be modified in such a way so that the fulfilment of such duty would be not only an ethical issue—it should also be more profitable (since without such motivation capitalists will not take up that duty).

In the time of informational revolution, there are simply too many possibilities of corruption of the market system, exploiting human greed for unethical profits.

One of the examples of such possibilities is the financial crisis of 2007–2010, which has been, by the way, already called *an ethical crisis of capitalism*. One of the reasons for this crisis was untruthful advertising of the so-called financial derivatives, that is blocks of financial options designed and sold by banks with the assertion of absolute security. Such assertion was based on the utilization of software tools to design them, to compute correlation coefficients of price fluctuations,

³I value free market as a robust tool of economic equilibration, but I also recognize the fact that slips away in the case of neoliberals. Because of the changes brought by the informational revolution, free market, when left to itself, can be corrupted (because it is based on human greed, and this greed in new conditions can lead to effects not foreseen by the classical market theory, as it happened during the crises 2007–2010, see the example described here and the next chapter).

since according to the classical theory instruments based on uncorrelated options are most secure. Such tools were developed by Lee,⁴ an American programmer of Chinese origin, who developed and sold to Wall Street the so-called *copula formula* that enabled fast computation of correlation coefficients. Using this formula, allegedly “absolutely secure” portfolios of financial investments were created—derivatives of derivatives, derivatives of housing markets, etc. The introduction of such “absolutely secure” portfolios inflated the market, and since an average investor could not assess their security himself, he believed in what was advertised. Only a few experts knew that the classical theory assumes the stationarity of the processes of price fluctuations, hence uncorrelated investments are secure only as long as the processes of their fluctuations are stationary—and during a crisis they cease to be.

Thus, we can conclude that the collapse of the financial market was caused by its corruption resulting from greed and from new possibilities offered by informational technology, inaccurately represented in advertisement and thus contributing to the inflation of the investment bubble. Anything could pierce the bubble—and the explanations of neoliberal financial specialists maintaining that the crises resulted from unwise interventions of the USA government are simple excuses, attempts to defend a lost cause. On the other hand, we remember well the division of costs and profits resulting from the crises: costs were borne by small investors, and the entire society in general, and profits went to the owners and managers of the falling banks, in the form of arbitrarily high severances.

This is a clear example of *informational asymmetry* on the market, see also (Stiglitz 2002). Information technologies, on the one hand, simplify general access to information, but on the other hand they can be (and actually often are) utilized to deepen informational asymmetry on the market. It is especially visible in the relation of *the society of spectacle* (Debord 1967) to advertisements. The integration of television with cellular telephony and the Internet strengthens the impact of audiovisual message utilized ruthlessly for advertising—unfortunately untruthful as a rule, transmitting only such information that is favourable for the advertiser, hence increasing informational asymmetry. The receivers of such information are usually aware of this fact, but often do not appreciate the power of its unconscious impact, that Herbert Marshall McLuhan (1964) has very aptly called *the massage of media*.⁵

Other examples and aspects of free market corruption resulting from applications of high technology will be discussed in the next chapter, but one fundamental aspect should be mentioned here: *the oligopolization of high technology markets with tacit price fixing*. The classical market theory assumes that technical progress results in a destruction of all monopolies, but this assumption has become invalid today when knowledge has grown to be a fundamental productive factor. A knowledge-based economy results in a fundamental decrease of marginal production costs: the cost of production of yet another piece of product of the same sort turns

⁴See Salmon (2009), under a telling title of *Recipe for Disaster: The Formula That Killed Wall Street*.

⁵McLuhan used a play of words *medium is a massage* instead of *medium is a message*.

out to be minimal in comparison to the costs of preparation of the entire production process, together with the costs of knowledge used for this purpose, see e.g. (Rifkin 2014).

The prices actually observed on high technology markets—either of informational products and services (television, telephone, etc.), or of pharmaceutical products—have lost any relation to the marginal production costs, hence the classical free market theory is not applicable to high-tech markets. This is possible only either in the situation of monopoly—but monopoly is usually restricted by state regulations—or in the situation of oligopoly, where it is much more difficult to uncover tacit price fixing (of a quasi-cartel price fixing, but without open formation of a cartel), see Sylos (1962), Kameoka and Wierzbicki (2005), Wierzbicki (2011). Oligopolies with tacit price fixing became a dominating form of high technology markets.

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