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Ethics of Systems Thinking

Jepson School of Leadership Studies University of Richmond, March 27, 2013

Illustrative Cases

- King's City Casino project in Hungary
- Golf course project in Shingkhar, Bhutan
- US-Canada oil pipeline project

Systems Thinking



Russell L. Ackoff (1919-2009) The Wharton School, Univ. of Pennsylvania



Charles West Churchman (1913-2004) UC Berkeley

Complex systems evaluation

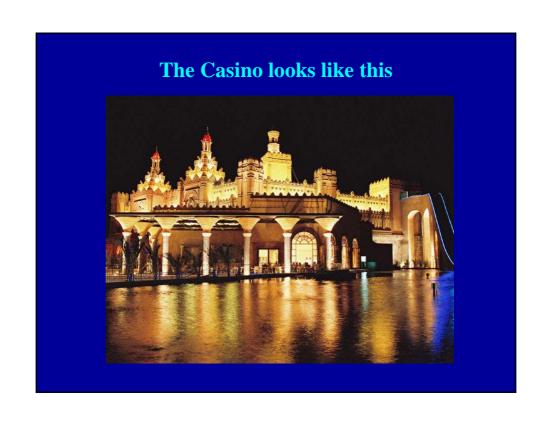
- (i) the problem of completeness(economic versus other aspects)
- (ii) the problem of the sacred (taboo trade-offs)
- (iii) the problem of long-term, indirect effects

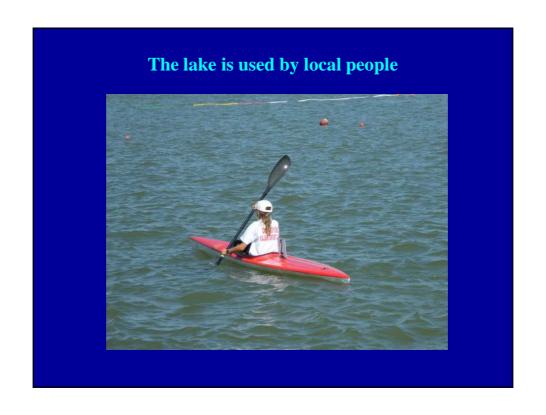
The King's City Project

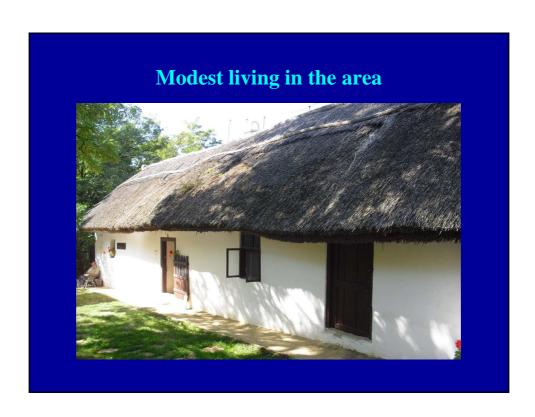
Lake Velence, Hungary

Lake Velence, the place of the King's City project









In the case of complex systems we should consider all the important aspects of the system and create appropriate evaluation criteria (financial and non-financial) for them.

If project transforms the local ecosystem and the culture of the local community, it is not enough to study the direct capital investment, job creation and the expected tourists flow but one should also consider the ecological, social and cultural impacts of the project.

Influenced by the economic cost-benefit analysis today's evaluation practice tends to measure everything in money terms. This is problematic because it transforms qualitative aspects (like natural beautify or historical importance) to the quantitative measurement of money.

Systems theory suggests that the quality of life can be served by taking the view of whole systems. This requires considering all the relevant value dimensions, evaluating the performance of systems on adequate scales of measurement and using disqualification criteria for blocking trade offs among non-substitutable values.

Shingkhar village, Bhutan

Golf course building project

What if the place is sacred for local people for hundreds of years?



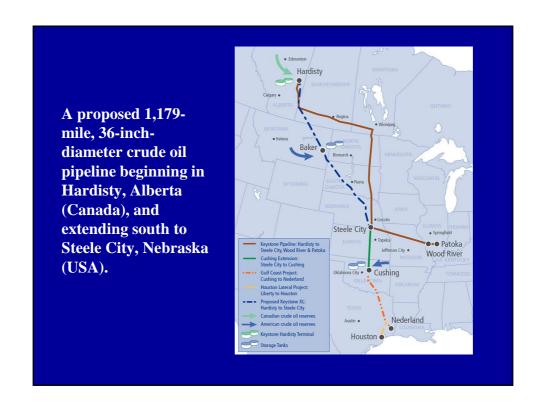


Taboo trade-offs

Certain values are non-negotiable.
We cannot permit substitution for them.

Keystone XL Pipeline

Transporting Canadian sand oil products to the USA



- Is this project good for the US in long term perspective?
- Which are the indirect effects of the project?
- What is the political message embedded in the project?

Whole Systems

Systems theory suggests to paying equal attention to all the relevant value dimensions of the system, blocking tradeoffs among non-substitutable values, and considering the long-term, indirect effects.

The richness of life can be preserved if we take the whole systems view.



Thank you!