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Ethics of Systems Thinking

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Illustrative Cases

- **King's City Casino project in Hungary**
- **Golf course project in Shingkar, 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



The Casino looks like this



The lake is used by local people



Modest living in the area



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 beauty 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**.

Shingkar 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

A proposed 1,179-mile, 36-inch-diameter crude oil pipeline beginning in Hardisty, Alberta (Canada), and extending south to Steele City, Nebraska (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 trade-offs** 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!