



## SUSAN LIAUTAUD

Vice Chairman of the London School of Economics and Political Science Council and Court of governors, Visiting Scholar at the Stanford Center of Philanthropy and Civil Society

**François BARRAULT, Chairman of Idate/DigiWorld Institute; former CEO of BT Global Services and a BT Group PLC board member**

Now, I would like to end the panel with ethics, which is very important, especially with all the things going on right now. It is great to have one of the best specialists I know on this problem, so Susan, the floor is yours.

**Susan LIAUTAUD, Vice Chairman of the London School of Economics and Political Science Council and Court of governors, Visiting Scholar at the Stanford Center of Philanthropy and Civil Society**

Thank you very much, François, and Thierry, thank you for this privilege. But above all, thank you for what I took from your speech yesterday, to be a little bit of a call to arms on ethics and in particular, your statement that we should have ethics in all of our thinking about global governance.

I would like to actually set aside a few of the things that I was planning to say and maybe connect a few dots and talk about how ethical decision-making is really the lynchpin of global governance, to follow on your theme, Thierry. I will deliberately use the phrase 'ethical decision-making' in order to try to keep this very practical. I do not mean this to be abstract or philosophical. I mean how we choose the principles that we are going to use to guide our decision-making in a very complex real world, how we analyse the stakeholders who will be affected by our decisions, and also how we think about the short, medium and long-term consequences of our decisions, all at the time that we are making these decisions that collectively comprise governance. Then I will mention why digitalisation has made this ethical decision-making harder than ever before.

To start, digitalisation is not just about technology. It is really about people, but it also has infiltrated all of the other global risks that come out in our discussions in this conference and in our worries more generally, whether it is antibiotic resistance or financial system meltdown. When we are dealing with the ethics of digitalisation, by definition, we are also dealing with the ethics of all of these other risks. The technology and these risks are accelerating so fast that the gap between the reality and our understanding is getting larger and larger. Ethical decision-making therefore sort of fills this space in between this increasing gap and has an increasing scope of responsibility. Incidentally, the law is sort of somewhere over here because the law is usually lagging behind our understanding.

What does that mean? It means that when I hear a White House spokesperson say, "We are going to respond to the Internet of Things. We are going to legislate and do not worry because we are going to legislate to the fullest extent of our understanding", my reaction is to say, "That is not enough. We have to legislate and make ethical decisions far beyond our understanding because our understanding is not likely to catch up with reality any time soon". Therefore the consequences of how well or not so well we integrate ethics into our decision-making will become a reality. In particular, as Patrick mentioned, we are now at a bit of an inflection point where that decision-making is starting to be made by machines. When we have people like Elon Musk, who are fearless enough to think about sending human beings to Mars, but are terrified by the idea of machines making decisions, I think it is time to stop and think.

The second reason that digitalisation make this ethical decision-making much more difficult is that I mentioned that it needs to happen in real time, and by that, I mean hopefully prior to the decision, but at the very least along with the decision. We do not put the driverless car out there on the road and then think about the ethics consequences. Especially in Silicon Valley, where I spend part of the year, I get a lot of pushback. I hear, 'But Susan, we cannot have ethics impede innovation'. My answer to that is that done right, ethical decision-making should actually support



innovation. It should make it more efficient so that we are not innovating ways that create danger and extra expense and a need for risk mitigation.

However, either way, I would just suggest that innovation is not an acceptable excuse for deferring or disregarding ethics. When we fail to integrate ethics in the decision-making in real time, we get Volkswagen, we get Ebola, we get all kinds of global governance disasters that we are now dealing with.

Then the conversation in the last couple of days has been very interesting about blurred boundaries. Yesterday's discussion about multinational corporations raised the issue of blurred boundaries. In fact, we heard a comment about ethics with Japanese corporations and how important that has become. We heard from Nelson Cunningham about the importance of being local as companies, as global companies go into different regions.

I would say three things about boundaries, but I would start by saying it is not so much that we have blurred boundaries. The real question is why does that matter? It matters because if we do not do ethics globally, even if we go locally as Nelson Cunningham suggested, which I think is fantastic advice, to deal with regulators, to understand suppliers and customers and culture, we are going to bring our ethics standards down to the lowest common denominator, and even more so with technology. However, the other issue is that these blurred boundaries drive one of the most virulent forces and in my view greatest risks today, which is the contagion of ethics.

Digitalisation has made ethics more contagious than ever before. There have always been human forces driving the contagion of ethics, like greed and fear and all the things that go back to ancient Greece and before, but social media is bringing us to a new level. We have epidemics of teen suicides from bullying on social media. As was mentioned, we had 26,000 new Twitter accounts in the 24 hours following Paris and they were all with photographs and 'religious education' in support of the terrorists. We now have this Anonymous hacking consortium that one week is out there hacking illegally a perfectly legitimate corporation and now is setting themselves up to be the entity, so to speak, that is going to declare war against ISIS. The way ethics spreads through digital media is far more dangerous than ever before and, above all, far more unpredictable than ever before.

The other problem with blurred boundaries is that it gives opportunities for many people to have power. For many years now, we have talked about multi-stakeholder problem-solving, so it is not just going to be governments. It is going to be civil society, women on the streets of Tehran with a cell phone in 2009, Bill Gates, George Soros – there is a whole wide variety of players, corporations. The difference now as technology accelerates is that individuals actually have the power to decide how they are going to act, whereas in previous decades where we started to see multi-stakeholder engagement, it was more about governments deciding who was going to do what. Governments were not going to do everything, but they were going to have a say, for example, in France or in China about the kinds of sectors that the non-profit world would engage in. However, the problem with that power being spread, again, thanks to these dissolving boundaries, is that very often, it is assumed without taking any responsibility.

Then that leads me to one or two final points, which are one of the biggest risks I see in the ethics sphere is what I call, 'It is just a platform' syndrome. Uber is not a taxi company, according to the founder Travis Kalanick. Uber is a technology platform, so therefore ethically, they really should not need to obey the New York City laws for safety checks on taxi drivers, like the Yellow Cab companies do. All of these shared economies are sharing a number of ethics crises. Airbnb is a little bit better in terms of attitude and much along the lines of what I think we heard Nelson Cunningham say yesterday, but we also have the social media companies. They are basically saying, 'Everything that happens on our platforms is user-driven and even if we have these rules or these policies that deal with things like hate speech that were very much in the news following *Charlie Hebdo*, basically we are telling you that it is up to users to identify the issues and to come and tell us'.

From experiments I have done with my Stanford students and at London School of Economics, if you actually want to get something taken down from Twitter or Facebook, it is quite an endeavour. The reason I raise this is that it is another way of saying that digitalisation is an excuse for not taking responsibility. We blame it on the platform or we say that the responsibility lies with somebody else's use of the platform, but not ours, so there is this disconnect between power and responsibility.



Then finally, I would just like to end by saying that by keeping in mind all of these different pieces – the need to be responding in real time, the need to be ensuring that we really are conscious of this increasing responsibility for ethics and how it is linked to all the other global risks, the need to look at contagion and be very aware of how ethics will spread and incidentally – we can spread positive ethics with a lot of effort. I work with corporations and governmental leaders to do that. But negative ethics will spread all on its own. Unethical behaviour will have a life of its own, whether or not we engage with it.

However, keeping all these points in mind, I think we have continually failed to cite ethics as one of the most important global systemic risks. We are always listing others that are very important – food security, water shortage, as I said, antibiotic resistance, global governance, but ethics is the risk that underpins all of the others and indeed how many of them react to each other. I think we need to seize it as a strategic opportunity, get ahead, be in real time before this risk becomes something that we are not able to manage. I think I will end there.

**François BARRAULT, Chairman of Idate/DigiWorld Institute; former CEO of BT Global Services and a BT Group PLC board member**

Thank you, Susan. Before we have a last word with all the panellists, are there any questions for the panel?