



Lecture 10-2

Work and Wealth

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Participation Quiz

10. You get on a ski lift at the bottom of the mountain and take it all the way up to the top. What fraction of the lift's chairs do you pass?

How many chairs do you pass?



By Ratko Bozovic

A

Half of them

B

Two-thirds of them

C

All of them

D

Three-quarters of them

Workplace Changes

- Technology has fundamentally changed workplace organization
 - Flattening out organizational structures, so that reporting tends to occur between affected people rather than along predefined paths
 - Facilitating the monitoring of employees
 - Slacking off at work
 - Illegal activities by employees
 - Allowing telecommuting
- *How do you feel about these changes?*
 - *Do you think they will improve or degrade your experience as an employee?*

Globalization

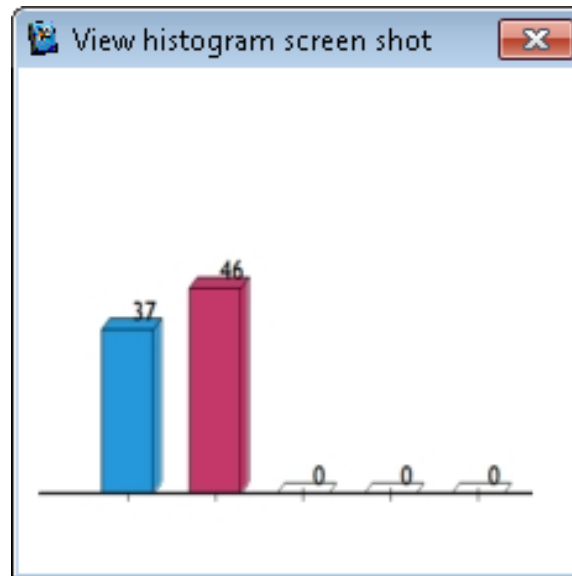
- The marketing of goods and services across global rather than national scales
 - Manufacturing goods in China, often using Canadian or Australian raw materials
 - Call centers in India
- Effects of globalization
 - Increased shipping and travel
 - Foreign workers (visas), students
 - Outsourcing
- *Do you think globalization is a problem or a benefit?*

The “Winner-Take-All Society”

- Occurs when a small number of top performers receive a large fraction of the rewards
 - Athletes, musicians, actors, law schools
- Harmful effects
 - Reduces the production of (e.g., cultural) goods
 - Unfair: severe penalty for falling a bit short
 - Leads to arms races
- What can be done?
 - Legal limits (e.g., working hours) to limit arms races
 - Cooperative agreements (e.g., cap on salaries in sports league)
 - Progressive taxation
- Beneficial effects
 - Why shouldn't we watch the best actors, athletes, etc?
 - I enjoy reading the same books as my friends (network effects)
 - Maybe a slightly better CEO (lawyer, etc.) really does make a huge difference to my company

Work and Wealth

“It is immoral for a corporation to pay its CEO 400 times as much as a production worker.”



Increase in Productivity

- Working long hours
 - North Americans (particularly Americans) work longer hours than other cultures and other times in history
- Protestant Ethic and the Spirit of Capitalism
 - A famous explanation of this restless work ethic
 - Linked it to Calvinist theology of predestination
- We have exchanged leisure time for possessions
 - *Do you think this exchange is worth it? Would you exchange a much lower standard of living for much more free time?*

Are Robots on the Rise?

- It seems every year there's a high-profile robotic success
 - self-driving cars
 - playing Jeopardy
- Ethical questions:
 - *Is it wrong to create machines capable of making human labor obsolete? Will humans become demoralized by the presence of vastly more intelligent robots?*
 - *How can we ensure that intelligent robots will not be put to an evil purpose by a malevolent human? How can we ensure they do not adopt malevolent purposes themselves?*
 - *Is it morally acceptable to create “personal” (self-conscious) AI?*



Net Neutrality

- The requirement that Internet service providers treat all packets the same
- *Do you think this is important? Do you think it is morally necessary?*