

Life 2.0: K D Adamson on a New Moral Age

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SPEAKERS

K D Adamson, Yan Chow (host)

Yan Chow 00:09

Welcome to Life 2.0, a podcast about the personal impact of future technologies. I'm your host, Dr. Yan Chow, a physician, a technologist, and an entrepreneur. This podcast explores upcoming innovations and how they will transform daily life for you, your kids, and their kids. Life 2.0 will interview thought leaders who can help us understand what it really means to be human in the 21st century.

Yan Chow 00:39

It's my great pleasure today to welcome one of the top visionaries in the world to Life 2.0. My guest has proposed that the most important relationship we have is with the future, and the future is stuck in the past. This is particularly on point as her undergraduate focus was on history. Based in the UK. She's an advisor, keynote presenter, author, and filmmaker whose high-energy talks have been likened to TED talks on steroids. She speaks on new digital paradigms, business value creation, societal movements, good and bad, and moral imperatives. She makes people think!

Yan Chow 01:13

A self-described futurist and ecocentrist, my guest is an authority on the sustainable transformation of organizations, environmental, social, and corporate governance or ESG, and the changing face of modern leadership. Her client list is a who's who of major global brands and consumer electronics, media advertising, pharmaceuticals, manufacturing, and shipping, as well as multinationals, governments, NGOs, and nonprofits. Her books include **Shipping and the 800-lb Gorilla**, and **Payload**, a suspense novel, while she has several film projects pending, including **Nobleization**; and **The Future You Ordered Is Out Of Stock**.

Yan Chow 01:28

Who is my special, amazing guest? I'm delighted to welcome **K D Adamson** to Life 2.0. How are you doing, K D?

K D Adamson 01:59

I'm great. It's a great pleasure to be here!

Yan Chow 02:02

Before we get started, why don't you let our listeners know how to get a hold of you if they want to?

K D Adamson 02:06

Sure! Well, I guess the easiest way is just to give K D Adamson a Google, also K D Adamson.com. I'm also on Instagram. I do a lot on LinkedIn as well. So yeah, those are probably the fastest ways to find me.

Yan Chow 02:19

So how did you become interested in being a futurist and an ecocentrist? And what does that mean?

K D Adamson 02:25

By the way, there's two parts of that, aren't they? Maybe I'll deal with the ecocentric part first, when it comes to ecocentrism. I think it's often easier to define it in relation to what it's not. So, the opposite, if you like, I think, of ecocentrism is anthropocentrism, which is really the paradigm that we've been living through for at least 1,000 or so years. We know humans look at anything else in any nonhuman species as having value only in relation to what it can deliver to human beings. So, we're talking about biodiversity, we're only talking about it in terms of lack of biodiversity could actually impact humans in terms of, you know, our finances, or our economies, etc. Whereas what ecocentrism does is it says things have inherent value, they have intrinsic value, not just in relation to what they mean to humans.

K D Adamson 03:23

I mean, as an ecocentrist, I take a more broad view of that as well in relation to human attitudes, because we also tend to view our utility, as it were, in individual terms, whereas I see very much humanity as being part of a complex and emergent system. And therefore, we need to be thinking of the intrinsic value, not just of nonhuman species, but also, you know, of other human beings as well, rather than just what they mean to us in terms of financial or power and those kinds of things. So, ecocentrism is an emerging philosophy, which is actually what the future is going to revolve around.

K D Adamson 04:05

So that's, I guess, where it links through to being a futurist. I think a lot about why we are where we are, and where we've come from. And when I look at the past and how we've got to where we are, it strikes me that the root causes of a lot of the systemic problems that we have are this humanist or anthropocentric paradigm. As we start tackling the root causes, then that anthropocentrism is going to come under the spotlight, because the only way you really solve the systemic issues that we've created is by changing that very fundamental frame of reference about the world around us. So that's a very long answer to a short question. So buckle up, this is going to be like this all the way!

Yan Chow 04:50

So, what areas in society and technology are you studying now?

K D Adamson 04:54

I look at all of it. I really do, which sounds a bit odd, I suppose, because I know a lot of futurists tend to concentrate on specific areas. But to me, if you accept the world as a complex emergent system, then it's counterintuitive to say I concentrate on this or on that. The unique ability, maybe, that humans have is in being able to connect disparate areas of study and see a broader picture to find patterns. And we talk about machines being very good at finding patterns. But machines aren't actually. They're good at finding patterns in limited datasets, whereas humans with our, you know, moral and ethical dimensions, you know, are able to find interesting correlations that machines don't necessarily see.

K D Adamson 05:45

So, I don't concentrate on one particular area. I'm curious and I can find parallels in all sorts of different areas. But in my work with organizations, that's where you end up having to be a bit specialist, because if I go and speak to an oil and gas company, then you know, they're going to want to understand how I view the future through the lens of their priorities, right? So from that perspective, I do, you know, and I have studied particular, you know, industrial sectors, or, you know, whether it's pharmaceuticals, whether it's shipping, or things like that, so I specialize in the respect that when I'm working with a client, I really try and get very much inside their business, if you like, or their sector, but that isn't just about business, that will be about all the things around it. So, I specialize every single time I work, you know, with a new client or even giving you a keynote, because I like to tailor everything to make it relevant. You know, what I think we do, and what we have done, is we love to pigeonhole people, we love to give people boxes to sit in. And that makes it nice and easy to manage. But we shouldn't be managing people, we shouldn't be putting them in boxes. One of the great drawbacks of society today is that everybody wants you to decide what you are and what you think, and all that kind of stuff. We should be more fluid.

Yan Chow 07:01

We had a really good chat about the social imperative, you know, the moral imperative and I agree with you that many things have been driven by financial or power incentives in the past. How do you get companies to drive social good?

K D Adamson 07:15

In my experience, the leaders particularly that I work with, it's very, very rare that you find any of them that don't have, you know, a social conscience, that don't actually believe that they should be doing good things in the world. So, it's not the individual always. I think it's the system that they find themselves in, and that's where it gets really difficult. Because you can have organizations that truly want to do good in the world and recognize that, you know, the focus on the next quarter's, you know, profit or numbers, you know, can mitigate against that. But ultimately, as I say to all businesses, you can change the world, but you do need your ecosystem of stakeholders to support you in doing that, because ultimately, a business of a for-profit corporation is set up primarily to make profit. And if you are a for-profit corporation, then there are limits to what you're able to do.

K D Adamson 08:07

And we've seen many examples of this, where corporations have said, well, we're going to support this values-based whatever. And it's come back and bitten them somewhere unfortunate. I think the chief executive of Danone a couple of years ago was a great example, who pushed for the organization to

become, you know, a purpose-led organization. And he said at the time, you've toppled a statue of Milton Friedman, you know, the economist who said the social responsibility of business is to increase its profits.

K D Adamson 08:38

But ultimately, he didn't make it, he was fired, you know, a year or so, 18 months later, because ultimately, it is extremely difficult for a corporation to make decisions that are going to potentially impact their profitability. And this is not their fault -- and I stress this, this is not the fault of the business! This is the fault of society, because this is what we expect from businesses. And as soon as businesses start making decisions, which may impact their profitability, then actually, you know, the boards and shareholders, you know, they have a responsibility to them to reverse course on that. So, again, it's not about business, it's about society, and it's about societal expectations, and in some parts of the world, expectations are changing. But even within certain parts of the world where broadly speaking, expectations are changing, they're doubling down, you know, they're saying, no, no, we want business to stop talking about all this societal stuff, and get on with what we want them to do and what we pay them to do, which is to make the money -- and then we'll decide where we spend the money.

K D Adamson 09:42

I talk about the emergence of what I call a new moral age, and it has huge implications for business because up until now, we have effectively given business a free pass on the morality front. You know, as long as you complied with your legal liabilities, then, you know, if you did stuff that wasn't quite so palatable, well, that was fine, you know, as long as you made money, and it's allowed globalized business to gloss over an awful lot of quite difficult and uncomfortable, you know, societal expectations that are different in different countries.

K D Adamson 10:15

You know, the kind of attitudes that abound in the Middle East, for example, can be very, very different, and in India can be very different than what you'll find in companies in Europe or in the United States. But we've been able to say, well, okay, we may have cultural differences, we may have religious disagreements, etc., but we can put those to one side, because we are business. And as business, we are able to have a discussion that can sideline those things; we don't have to discuss those things. We can actually just get together and make money and build businesses and drive economies. And we're reaching a point now where people are saying, no, that's not acceptable, we know, we are not going to do business with people who don't share our values. And this is where you start hearing about friendshoring or moral shoring as I describe it.

K D Adamson 11:05

So, the ability of business to drive societal benefit is related to its stakeholders, you know, who is in your stakeholder ecosystem? And part of what we are increasingly seeing now is businesses recognizing that if they do want to pursue that kind of societal, beneficial, purpose-driven, if you like, policies and everything else that they want, then they are potentially going to have to change the stakeholders in their ecosystem in order to pursue that. And that is incredibly tricky. And it's also unprecedented.

Yan Chow 11:39

What's the role of government?

K D Adamson 11:41

It's an interesting one. If we say the role of government in relation to industry, in relation to business, then I think that's changing quite markedly. Because what we've often tended to do is tell government that they need to be more like business, you know, they need to be more efficient with it. Dear old Ronnie Reagan, who said that the 10 most terrifying words in the English language are "I'm from the government and I'm here to help you" or something like that. I hope your listeners will forgive me if I'm paraphrasing that.

K D Adamson 12:14

But essentially, that, you know, for at least the last, I would say, 40 or 50 years, that's the attitude that we've had. And we've increasingly wanted government to be smaller and smaller, and more efficient, and cost us less, etc. And it's quite funny, because now you're increasingly saying that you want business to be more like government, you want business to be talking about intangible social goods and different kinds of value, it's quite a change. The other thing about government, of course, is that business can't exist, or certainly limited liability for-profit corporations can't exist without government's agreement. I think this is something that we often forget. Because ultimately, you know, we hear a lot about globalized business, you know, chasing its way around the globe, trying to find, you know, the most efficient tax havens, all these other bits and pieces. But ultimately, every government, you know, wherever that company is incorporated, they're given that license to operate by the government. I think we've kind of forgotten that.

K D Adamson 13:13

Because the other thing that we haven't had for a very long time is any innovation in terms of companies, you know, this joint-stock limited liability company has really been the dominant format. And no one's really thought very differently about that. And I think we've kind of looked at nonprofits and other kinds of, you know, social enterprise and things like that. We've kind of sidelined those, you know, but you know, it's all kinds of charity, isn't it? Well, if it's not generating large amounts of money, then you know, we're not interested. But when you drill down, and you start looking at how you could develop business, and I think that is a very, very interesting area, because a nonprofit corporation can make money, it can pay people, and the like. The thing is, it's not extractive, it means that, you know, it can't just extract lots of money out to shareholders. But it doesn't mean it can't operate in every other way like a for-profit corporation.

K D Adamson 13:13

And when we talk about systemic change, when we talk about value, because this is ultimately, you know, what I believe is at the root of all these problems, is that we have a skewed and unsustainable value system. When you start saying, the metrics for business should not simply be profitability, but they should be, you know, around ESG, different values, environmental, societal, governments, then you open up a really interesting and innovative area, which says, well, if for-profit corporations are now expected to report and be measured by these other metrics, why should they just be for-profit corporations? And I think that will be the future. I think we're going to see enormous innovation now

around different types of company and that's where government comes in, because that's where government can really provide the foundations for that kind of systemic change by looking at do we just need for-profit corporations, or should we be looking at what other kinds of structures we could use that would serve us better in the future?

Yan Chow 15:06

I wonder if that is related to the concern about new ideas like cryptocurrency. You allow people to store their value elsewhere, or wherever they want to, and to deploy it anywhere they want to.

K D Adamson 15:17

I think cryptocurrency, as a thing, again has been a bit of a gold rush, it's been a bit of a 'oh, well, look, you know, this is something where we can break all the rules.' When we talk about storing value in different ways and storing value outside governments or, you know, nation states, that kind of stuff, this is something that, you know, technologists get very, very excited about. But ultimately, I think it plays to the same narrative that we've had for 50 years, which is technology is going to allow you to break all the rules. And that's really what technology has done. It's broken rules. We are now in a period where we need to start remaking rules. And technology hasn't done that. Technology has moved fast and broken things and, you know, sought forgiveness instead of permission. And that can only work up until a point, because now we're really seeing the impact of that coming home to roost.

K D Adamson 16:08

And it's the same with the cryptocurrency so that the great call is 'oh, the regulators aren't moving fast enough.' Well, actually, when you look at, for example, the Financial Conduct Authority in the UK, and they created this sandbox, the idea being you have all the fintechs and all the innovative people and companies and ideas together with the regulator in a sandbox. And you can actually model these things and say, well, where would the regulatory pressures come, you know, how would this need to change?

K D Adamson 16:36

But that's not what's happened. Generally speaking, it's been, here's a new technology, which we can then use to pretend that the old rules don't apply. And ultimately, you know -- surprise, surprise -- the old rules do apply. You know, it's like Richard Feynman said, you know, you can fool some people some of the time, but, you know, nature will out! Things that are the truth are the truth. And whatever you use, whether it's, you know, Bitcoin or whatever, if people are out to fleece you, people are out to fleece you and that, unfortunately, is what you've seen. You know, a lot of things were done, you look at, you know, Sam Bankman-Fried or all these kinds of things. It's just basically people trying to defraud you. They're trying to find a new way to do it and they use technology to make you think that somehow none of the old rules apply. They do apply. So, I get very annoyed when people say, you know, regulators can't keep up -- rubbish! You know, what's happening is people are using new technologies to try and do the kinds of things that regulators stop them doing with the old technologies.

Yan Chow 17:35

One of the best examples, I think, recently has been the advent of generative AI since last November with ChatGPT. Is this a fundamentally different inflection point?

K D Adamson 17:46

Generative AI is interesting in the respect that suddenly everybody wants to talk about generative AI, bringing the end of the world when there have been people talking about this for a very, very long time, this really isn't anything new. The idea that a super intelligent AI will eventually outevolve us has been around, as I say, for decades. But that really depends on a philosophical construct, which is that we live in a mechanistic universe, and that by knowing pretty much everything that's going on, you can predict the future. And that, I think, is increasingly being debunked.

K D Adamson 18:36

And if you look at the other really interesting thing that isn't being talked about right now, but will be shortly, which is the advances in quantum. What AI and generative AI says is fed with enough data, something becomes so intelligent that it can understand everything, and therefore it can effectively predict the future. What quantum is actually saying is this whole idea of an objective, mechanistic universe isn't true. Because once you get to a quantum level, things are subjective.

K D Adamson 19:06

So, I think what you've got with generative AI is this enormous, another enormous, gold rush, because what generative AI is actually doing is not changing the world. It's, once again, improving advertising and marketing. Because that's really what, and people get 'oh AI, nobody understands, this is a black box, this is that.' No, all you have to understand is the reward function. So the reward function for any AI, right, is, you know, what do you get rewarded for and humans are exactly the same. The reward function for generative AI right now pretty much is business applications and specifically creating content for the suggestion economy -- because we don't have a data economy, by the way, we have a suggestion economy. You know, Google, and again, it comes back to what I was talking about earlier, these tech giants with these brand-new business models -- I'm sorry, they're not. They're based on advertising. Google sells ads, you know, and that's why it's been so successful. Yes, there's nothing new, it's not a new business model. It's just a new way of using technology to make advertising even more effective, and marketing even more effective. And this is why Gen AI is of such interest, because this stuff can churn out content like there's no tomorrow. And that's what all of the digital advertising runs on, it runs on content. That's why it's disruptive.

K D Adamson 20:27

So, what you actually need to do, to my mind, is to separate out the underlying artificial intelligence and technology, etc, etc, and say, what is this being used for? Because in narrow use cases, you know, AI can be enormously helpful. But ultimately, all ChatGPT is doing right now is guessing the next word. And it's doing it incredibly well with huge amounts of compute power behind it. But that's all it's doing. It's guessing what should come next. That, to me, is not a huge leap. It's incrementally improving. And as I say, where's it being directed? It's being directed mostly to, you know, the suggestion economy. And I include in that, you know, the news media, because it's not really about reporting the news anymore, it's about how many clicks you get, and how many eyeballs you get, etc, you know, which is why it could displace journalists.

K D Adamson 21:17

But, you know, at the end of the day, the global economy, this whole system, has been a lovely startup, you know -- it's done really well, but it's not going to scale. Generative AI is a gold rush at the moment, but it's going to run up against the same problems, you know, that all technology does, that ultimately, the future is not a technology problem. It's a societal problem. So, we have to decide how we deploy generative AI. And this long-term attitude about it's going to destroy humanity, what it's actually doing is masking the fact that there is some right now today problems with AI like bias, like the fact that you've got, you know, the likes of OpenAI saying, 'oh, look, isn't this absolutely incredible, what we can do?' What they're not telling you is there are huge rafts of human beings still in the background making this stuff work.

K D Adamson 21:21

There's a lot of misdirection around gen AI, and there are a lot of people that know that. But unfortunately, you know, it's not necessarily in their interest to make that clear to people. Fortunately, people like me -- see, I work for a company -- a lot of futurists work for big tech, an awful lot of them, they are paid by big tech. So, it's not really surprising that they all tell you that technology is the future. And they all have their particular brand of, you know, techno optimism. Futurists like me don't work for big tech. So, you do actually get a slightly different approach. Because if you genuinely are interested in the future, then you know that technology is only a small part of it. Whereas anyone who works in tech at the moment wants to be pushing generative AI, because there's huge amounts of costs sunk into it, and they need it to work. At the very minimum, they need investors to believe that generative AI is the future -- because they want the money.

Yan Chow 23:09

One of the issues that people raise right now is that, how will AI affect the kind of work that people do in the future, and where does the source of human value come from? And one of my thoughts about that, is that because people are using gen AI to produce content and to produce, you know, all kinds of, I would say, saleable content, and as you mentioned, it's mostly used in advertising and so on, is it possible that people will start to generate content without thinking too much about it, therefore, the content that's generated from these broad-based large language models will tend to migrate to the center; that is, again, the value of human creativity is not to think like the standard, but to think outside the box.

K D Adamson 23:56

Yeah, this is a really interesting area. And it's something that I think the very, very big important brands are already thinking about. When you look at those that are involved in, you know, in creative industries, whether that's film, whether that's fashion, whether that's art, because what you find is that a lot of these very, very big brands that are all about creativity and uniqueness, etc, are beginning to smell, you know, the coffee, Wake up and smell the coffee here, which is if we double down on AI, and we use it to create content, etc, how do we then justify our position as being unique and creative and all the other things? So, I think what we're going to see over the next few years is enormous amounts of experimentation because no brand wants to be left behind. And I think the metaverse, you know, is a great blueprint for what happens: that suddenly you have all sorts of people creating stuff in this, you know, well, I call it the not-yet-a-verse, actually because it doesn't exist. But, you know, you have all sorts of people doing all sorts of stuff and, you know, everyone gets excited about it, it gets, you know,

appears in all sorts of, you know, publications all over the world, news sites. You know, this brand is doing this in the metaverse. And then very quietly, nothing happens. Because you know, it's effectively a gimmick. And I think in an awful lot of cases, gen AI is going to end up the same.

K D Adamson 25:29

But to your point about, are we going to end up being deluged by this computer-generated stuff? Well, yeah, we probably are, but then the direction of travel in terms of what we are exposed to, is going to be increasingly determined, I think, by individuals rather than algorithms, social media algorithms, and marketing and advertising algorithms. Because we're seeing a move away increasingly, from the ability to track, we're seeing more focus on all the cookie stuff, you know, first-party data, zero-party data, that's what everybody wants now, and it's increasingly difficult to get. So, the ability for you to be completely deluged with this kind of content, you know, it gets to a point where you don't want to hear from brands pushing you generative AI.

K D Adamson 26:15

I mean, if you look at what's in your social media feeds, if you're a social media fan, if you look at what people really engage with, it's, broadly speaking, stuff that comes from sort of individuals, people that they're interested in, you know, people that follow thinkers. The stuff that gen AI is producing is the thing in Twitter that turns up, you know, the ad in your feed will probably be generated by gen AI, but the stuff you're actually reading will be the stuff that, you know, if I follow somebody, I'd be interested in what they're saying. And that is unlikely to be generated by AI, even though you've got everybody in 'oh, I've created this from AI, and I've created that,' well, that's great from an immediate marketing perspective, oh, that's new and novel, let's have a look at it. But ultimately, the things that people engage with are still things and individuals, I would say, that are probably not going to use gen AI, because their uniqueness is what makes you follow them, watch them, listen to them.

Yan Chow 27:14

It's interesting, because in the future, as people are seeing a lot of noise in the market from gen AI, which can create content in seconds -- to deal with that, from the consumer point of view, from the employee point of view, and so on, do you think there should be a market for counter AIs, that is, much like viruses, you know, we have antiviral. And now we're starting to see gen AI attacks. What do you think about the idea of individual AIs that advocate for the individual? Because otherwise, it will not be a level playing field, I think.

K D Adamson 27:14

Yeah, I think, to be honest, you reach a point with a technology arms race, where you just create a new technology to deal with, you know, the externalities of another technology, and I'm not entirely sure how much longer that's going to be valid. Part of what will address all of this is ESG. And I know a lot of people will think that that's just a lot of, you know, hype or whatever. But actually, if you find companies being judged and measured, not just on their profits, but you know, on these other measurements, these other metrics, then the extent to which your product is used in the wrong way, or you know, has negative externalities is going to start coming back on you. And of course, the big thing with the social media companies has always been, you know, we are not publishers, and all this worry about are we going to be classified as publishers, you know, which then makes us liable for, you know, all the nasty

stuff that people say. But I think if you consider that on a broader scale, not just, you know, on the publishing and the platforms, but you consider that, you know, in terms of any kind of large organization, it means they're going to have to start really thinking quite hard about what they engage in.

K D Adamson 29:00

I think ChatGPT has been an absolutely brilliant example of this. Because immediately it came out, everyone's like, oh, all over LinkedIn: 'Look what you can do with this, I asked it to do this, I asked it to do that.' And very quickly, because I've worked with a lot of lawyers as well, and very quickly, you know, the legal department came back and went, 'Uh-no...' because, you know, OpenAI has basically scraped huge amounts of data to create this stuff, none of which it really has any license for. It's broken all sorts of copyright. And for large organizations, I could give you a dozen examples of very big clients of mine, multinationals, who have already banned it and said you cannot use this on our corporate networks, you know, you cannot use it for work purposes. Because you know, the potential liabilities of that are absolutely huge. Now, I'm not saying that every generative AI is like that. Adobe, for example, their Firefly -- they've trained that algorithm on data that they're completely entitled to have. And everybody knows, you know, every time I use my Adobe stuff, somebody asks will you share this with Adobe, you know, and you can make a choice about whether you share that stuff. And so there are datasets around, which can train AI, which are absolutely fantastic.

K D Adamson 30:17

But the thing is, OpenAI ChatGPT has all been for free. And this is where we get down to the real nitty-gritty of this for me, which is the F word. Don't panic, it's not the F word that you think. I'm not going to drop the F bomb on your podcast, do not worry. It's actually 'free.' And this is where we really come down to the problem, because ChatGPT is not free. You know, huge amounts of money to develop it; it's had massive externalities already, in terms of, you know, social environmental costs. I think, you know, the average generative AI, you know, algorithm, I think it has more emissions than, you know, the lifetime of five cars or something like that, right? So, there are huge externalities with this stuff, but it's being given away free.

K D Adamson 31:02

And it's not just technology, it's not just OpenAI, it is all sorts of things, from newspapers to television, this is the model that we followed, you know, in our society. We've given away stuff for free, and then we've monetized the user base in different ways. I mean, even bank accounts, right? So, I'm not just talking about technology here. This is the way we approach products and services: that we give them to people for free, we make them like them, and then we monetize them, and we don't make them pay. So, what this has done is it has fundamentally warped human understanding of value. Because when everything's given to you free, you don't understand what the cost is. And it's not until you understand what the cost of something is that you can actually ascertain the value. And then you can make a choice about whether you value something enough to pay for it or to use it. And we've been denied that opportunity. So, when it comes down to, you know, what is the future of generative AI, or the Not-Yet-A-Verse, or any of this stuff, the thing you have to tackle is the F word, which is 'free.' And what ESG makes it a step towards doing is saying no, you actually have to quantify what this costs. And that may be a financial cost, it may be an environmental cost, it could be all sorts of costs.

K D Adamson 32:19

I mean, here's a thought for you. Vaccines. And of course, we got very excited about vaccines over the last few years, all vaccines depend on using horseshoe crab blood. That's how we make vaccines. And we take that from horseshoe crabs, while they're still using it, you know, it's not like they're dead. And that is having a massive impact on the horseshoe crab as a species. But nobody knows that. Now, I'm not saying that that should preclude us from using that blood. But to me, innovation comes from understanding that that's what we do to another species, we damage that nonhuman species in order to produce vaccines for humans.

K D Adamson 33:02

Now, to me innovation is about saying, can we find a different way to do that? Because I'd far rather see the billions that's being poured into generative AI into something that says how do we conduct medical experiments without harming nonhuman species. And that's an area in which gen AI can help, you know, things like producing, you know, organoids, to test things, that the US recently greenlit some new ideas, you know, for testing. And these are the kinds of areas they say when you talk about free -- I just went off a bit of a tangent there -- but it's an example, like not even vaccines are free, you know, when it comes to that testing, right? But we don't really understand the cost, whether that's a financial cost, whether that's a cost to the environment, or nonhuman species. So, if we do away with the F word, if we say no, we do actually need everybody to understand what the true cost of this is, then you can say, the cost of this to the horseshoe crab is this, which we don't really like, but the value of this, you know, to the ecosystem as a whole outweighs that. But how do you make those decisions? How do we understand value if we're not given the opportunity to understand cost?

Yan Chow 34:09

Is there an example you can share where you worked with a company on this kind of issue?

K D Adamson 34:13

I can't give you specific stuff here, but what I can point to, for example, is what has happened in the oil industry in the last year or so. You may have heard that Shell came out with a bit of a -- what everyone saw as a bit of a reversal actually of its climate pledges. Now, what Shell is saying is that the world needs oil and gas and that it has an obligation, you know, its purpose is to make sure that there is energy security, etc, etc. So, you know, they are saying, our purpose is, of course, we know we want to protect the environment, but there is also profit as a purpose, you know, so they're taking kind of a different view here. And this is where I think it's super interesting -- this new moral age. Because morals -- when you say profit, profit is objective, right? Everybody can look at numbers, and you can see, you know, that there's a one or a zero if you're in that environment. But morals and ethics are subjective. And that makes it very, very difficult for business. How do you reconcile that? And what a lot of businesses are now saying is, I'm going to have to make a choice here. It's very hard, I think, at this point in history, as we move into this new moral age to be objective about anything.

Yan Chow 35:33

But we have seen things like crowdsourcing, for instance, where people are given a lot of information about the company, and its purpose, and they invest in it. So, I think that's perhaps another kind of model where it's a matter of information and finding your tribe, you know, sort of your people,

K D Adamson 35:50

Yeah, no, and it's a really super important point that, because it is about a tribe of people, an ecosystem of people, an ecosystem of stakeholders, who are all focused on the same ultimate objective, right? It's about ecosystems. But here's the problem. Multinational organizations, by definition, are not about tribes. The mass market that we've been focused on for 100 years is about overriding tribes, really, it's about creating something, which is for an absolute mass of people. So, what you've just mentioned there is super important because it's an indication of why we're getting an increasing deglobalization. If all you're going to do is create a widget, that widget is fine. Anybody can use it anywhere in the world, fantastic. Off you go, fill your boots.

K D Adamson 36:42

Once you start saying that widget cost the environment x and y, then there's a subset of people who could use the widget who will say, I'm not interested in that. So, what do you do as a company? Do you say, ooh, 10% of my potential customers don't like the idea that, you know, it costs the planet x in carbon emissions. So, what do I do? Do I change the product? Or do I sacrifice that 10%? And then overlay on that different cultural attitudes all the way around the world, and you suddenly see why multinationals and globalized business is in all kinds of trouble. Because those kinds of decisions that you have to make in each jurisdiction, they may be conflicting. How do you run a multinational organization with an overarching set of values, and morals, all these kinds of things? Yeah, with all employees that you know, believe the same thing, are supposed to say the same thing, when you have increasing cultural and moral ethical differences in different jurisdictions around the world. And that's why I say that the new moral age is going to be a defining challenge for this generation of CEOs, a defining challenge, because I'm not entirely sure that the future of multinational businesses, if they have one, honestly, I'm not entirely sure that I can see a future in which global multinational businesses are the, you know, the captains of the universe.

Yan Chow 38:12

If you have companies or countries that are bad actors in this world, where we all need to contribute, where we all should be contributing, let's say, to a better future, but they are not because they have their own priorities?

K D Adamson 38:23

And I think this is where it comes back to the values thing, because ultimately, what has bound everyone together are financial values. What you have to get to is a point where there are broader measurements than that, and we are moving towards that. So, we always just used to talk about GDP, because I mean, if we talk about Europe, for example, you know, what is Europe all about? It's about, you know, what's the GDP, you know, what's the growth like, right? Yeah, that's ultimately if you say to a government, or if a government is asked, should we, like in the UK, commission a new coal mine, you know, should we issue new drilling permits, the conversation around that, that conversation will take place in relation to what will this do to our growth? What will it do to our GDP, right? Now, that's

essentially what governments are most focused on, and you can scale it up to, you know, supranational, you know, groupings, whether that's the EU or, you know, Asia, you know, ASEAN, whatever, right?

K D Adamson 39:21

So, the problem comes at the root, the root problem is that we are, again, like companies. So, what are the metrics that we are judging ourselves by, and I think it's important to understand that those metrics are beginning to change. And they may not be particularly visible at the moment, but the foundations are there. So now we are already beginning to talk about the Happiness Index, we're talking about circularity as a metric, we're talking about biodiversity as a metric. There are even -- if you're aware of this, I'm surprised a lot of people aren't -- that we already talking about debt-for-nature swaps. So, we're beginning to talk about, can we actually consider protection of biodiversity within emerging nations as an equivalent payback for debt?

K D Adamson 40:07

Now, once you start taking that kind of completely different attitude, that means then governments can put this in a different frame. I talk a lot about reframing the future, and I think this is a good example of that. If you say, as a government, and what is our responsibility, you know, if you consider your responsibility to be purely aligned to growing GDP and growth per se, then of course, you're going to look at an oil and gas company that says, you know, we want to do some more drilling, and we're going to help you with energy security, you're gonna say, okay, fine, that's really important, that hits our metrics, that's in our reward function, is growth in GDP. If you say, actually, as a government, we are going to be judged on metrics that are beyond GDP, that we are not going to allow companies simply to make profit, we are going to expect them to also deliver value beyond profit, you know, as a government, that then changes the whole agenda.

K D Adamson 41:06

As I say, it's not like this isn't happening. You're seeing these different metrics. And I often say that, when you start looking at metrics like circularity, biodiversity, everyone becomes a developing country. And the countries that are at the moment considered, maybe, you know, emerging or even third world countries, certainly the global South, they suddenly look very different, because they haven't necessarily concreted over, you know, two thirds of what they have. They haven't poisoned their water courses. They haven't, you know, denuded their biodiversity. And we're beginning to understand and, you know, even people like the World Bank are talking about this, you know, biodiversity is essential for financial economic stability as well. So I think when you reframe this, and you then put a government in a position where you say, you are going to have to report all these other metrics, then the conversation about should we allow a new mine, should we allow new drilling, that then kind of changes, but until governments say, we aren't going to judge companies on something beyond their profit, then it's a catch-22 situation, because the company is pursuing profit, and the government just wants GDP and growth, you know, it's mutually reinforcing. You have to have some real courage to stand up and say, actually, we're not just going to publish GDP figures, we're going to publish this and this and we're going to make companies' ability, you know, to have tax breaks, or whatever it is, we're going to make that dependent on broader metrics than what we have now, than the traditional stuff. And that's how you start changing markets.

K D Adamson 42:47

I just picked up on one thing you said there, which is, you know, how do we deal with this in different parts of the world? Now how do we manage countries which do not have the same values as us? And again, I think potentially biodiversity and climate could be a way for us to make those connections, because it is the thing that is common to all of us, you know, the global environmental ecosystem, that we all live in it. So, at the moment, and that sounds a bit sad, but the closest that we've ever been -- we've been trying for about 3,000 years -- the closest we've ever come to universal human values has been money. And what we're seeing now, increasingly, is people saying, do you know what, money is not as important as my moral, my ethical beliefs, which is both an incredibly positive thing, but an incredibly scary thing. Because that's what holds the global kind of consensus together is that, you know, as long as everybody's got money or they want money, and if you take that away, that makes it very, very challenging.

K D Adamson 43:47

But that's where I see that certainly biodiversity and climate is something that could potentially unite us, but we are going to have to get through a very, very destructive period between now and then. Because I think the impact of not just climate change, but biodiversity loss and all these things are going to start being felt. And if you look at things like the insurers, you know, they'll give you chapter and verse and it's meant a lot of people in California can't get insurance anymore. You know, we're beginning to see the impacts here, you know, flow back to people and individuals. So, I think that we're gonna go through a very painful correction, when people realize that the impacts of climate change is going to have a financial and an economic impact, which is, you know, magnitudes higher and no one's really understood. And that will probably be the trigger for people to say, right, well, we need different kinds, we need to be measuring different kinds of value here. But as I say, it's starting. It's beginning to happen. If you're a company, it's very tough. I've got no answers. You know, there's no easy answers to this.

Yan Chow 44:51

In countries, let's say, where the government supplies a lot of the needs of the population and where there's actually less incentive for the financial motive, do those countries tend to be more focused on social missions?

K D Adamson 45:06

I think it's very difficult to generalize. People always talk about the Nordic countries and they talk about Scandinavia, they talk about Denmark and Sweden, and Norway and Finland around there. And there's no doubt at all that, you know, from the outside, you look at that, and you say, you know, these seem to be, you know, very well-balanced societies, you know, that things are good. You know, there's healthcare, there's all these things that you kind of say, oh, that's great. But actually, obviously, in Scandinavia, an awful lot of that is built, the sovereign wealth is built on oil, okay? So I'm afraid, you know, there's a little bit of toe curling discomfort, you know, when you look at, point that out to start with, and I'm not saying that they haven't gone some way, saying, you know, we're not going to invest in fossil fuel, this, that, and the other, you know, they have made big strides in that.

K D Adamson 45:56

But equally, you know, one of the other things that's going to determine the future is demographics, you know, which are causing really, really big problems, because even the great social welfare states and you know, the UK tried to be one postwar as well, you know, the National Health Service and everything else, all of these sort of social welfare-focused states, it all depends on the idea that you are going to have people who effectively, you know, pop their clogs around the age of 70 to 80, and that there will be a very chunky demographic coming up through the ranks, they're going to work super hard, 40 years and pay for all the, you know, the social welfare and the pensions and all the other things. It's breaking down in a number of ways. So I guess the point is that, when I say we're all developing countries now, not just because of the climate and biodiversity crisis, but because, you know, even if you leave all of that aside, or you say, no, what we've done up to today is absolutely great, let's have as much fossil fuel as we can, let's keep going with our consumer economies, that's going to fall over -- because the demographics is changing so dramatically.

K D Adamson 47:09

And one of the things just, you know, finally, on Scandinavia, you look at the terrible rifts that there have been around immigration into Scandinavia, right? And then the rifts all over Europe are about this. When you look at it, you're gonna need that in Europe, if you've got even the slightest hope of maintaining the consumer-driven economy that we've been used to for the past 50-70 years. So, you've got even those countries that up until now seem to have been, you know, potentially, in the eyes of some people, you know, doing a better job, it's still based on a system, which, leaving aside climate and biodiversity, just from a demographic perspective is going to stutter, and is already stuttering and beginning to fall over. And there is no answer, even in these, in inverted commas, you know, progressive countries. There's no answer for the individual people within the country saying, you know what, I used to be able to afford to send my kids here or do this or have two holidays a year, and now I can't, or I can't get the medical treatment I want or medical treatment is costing me five times what it used to, or I'm having to, in the UK, you know, there are 5 million people on waiting lists, you know, and I'm waiting three years for an operation in pain. What happened? I know, let's blame the fact that we've got all these immigrants that have come in, you know, because they're the problem. And of course, most governments don't really want to have the honest adult conversation with people, which says, you know, what, this lovely startup system that we've had isn't going to scale? What do we do differently? Because that doesn't win you many votes.

Yan Chow 48:25

I'm sure a lot of chief executives and government leaders have a bottle of antacid on their desk, because the challenges are of incredible complexity with multiple, multiple stakeholders and priorities. So just to sort of wrap up our conversation, what would you tell a young person today about the future? Are you an optimist? Are you a pessimist? Would you tell them to expect certain things?

K D Adamson 49:12

We talk about utopia and dystopia, don't we? And I noticed the other day, I think it was Kevin Kelly, he was talking about protopia, the idea is that, you know, at least you'll have progress, you know, it won't be great, it won't be bad, it'll be, hopefully it will just progress a bit. When I talk to young people, I think

what I'm hearing is 'no-topia.' They can't actually see a future at all. And that, to me, is the most troubling thing.

K D Adamson 49:39

Because a lot of people think that what makes our species unique is our ability to use technology. You know, there's something we've been fed for a long time, you know, harnessing fire, all that kind of stuff. But actually, what really makes our species unique is the ability to conceptualize the future, to conceptualize multiple futures. What the most damaging thing over the last seventy or so years has been the idea that there is no alternative to what we have now. And that is finally manifesting itself in this generation, who I would like to point out, I don't think any generation has ever had more expectation heaped upon them than the kids being born today. You know, 'yeah, we've been doing this for centuries, and now you're just gonna come along and solve it.' But I think what concerns me is the fundamental level, that the young people are capable of conceptualizing different futures, and the ability to conceptualize the future is actually not evenly distributed. You know, if you're growing up in a, you know, a rich Western democracy, you're encouraged all the time, you know, to think about things a bit. But, you know, if you are poor, then your ability to really conceptualize something different is very limited, is limited by, you know, your daily struggle and what you're exposed to.

K D Adamson 51:02

So, what do I say to young people? What I say to them is, there are alternatives. And just because what you see around you feels as though it is immovable, you know, the system is so huge and vast, you know, there's no way that you can possibly change it. That is not really the case, because you are the system, we as individuals are the system, we perpetuate the system day after day. And the choices that we make do have an impact. If you deconstruct the future, there are, you know, sort of, I don't know what it is, you know, 8 billion odd people on Earth. And scientists in their wisdom reckon that every individual makes an average of about 50 key decisions, you know, every day. So, when you think about it, what that really means is that the future is kind of an amalgam, right? The future is an amalgam of, you know, around about 400 billion daily decisions. So, I would say each day, you maybe have 50 opportunities to really change the future.

K D Adamson 52:13

And when you talk to people in those terms, it tends to change their outlook a bit more. Because whether we're going to have a utopia or a dystopia, that's the kind of conversation that you want to have. But unfortunately, what's happening right now is that people aren't even having -- young people aren't even having -- that conversation. They can't even, they can't even see a future. You know, that's desperate, that we should be in that position. So, I think it is about understanding, you know, the future isn't somewhere that we go, the future is something that we create. And it may feel as though you do stuff, and it's completely impotent. But that's not the case. I'll go back to exactly where I started. You know, the world and the future is a complex and an emergent thing. And we influence it as much by what we don't do as what we do do, right? So, I think the most important thing for young people, and for any person that is listening -- chief executives, politicians, anyone -- is to recapture the resilience of understanding that you do influence the future, you create the future, every single day. And if we can help young people to be empowered in that respect, then I think they will go on and create something different. But it's a coalition. We can't just rely on young people to do it. It takes all of us.

Yan Chow 53:33

I think that's a fantastic way to close. But before we close, K D, can you remind us again, how to contact you?

K D Adamson 53:39

Yes, absolutely. If you just throw Google at K D Adamson, you'll find K D Adamson.com, which is my website. I'm also on Instagram, Twitter, and LinkedIn as well, so if you're, you know, part of the business community and you'd like to connect then, that's a really good place to find me too. So yeah, and I'm always fascinated to hear from people about, you know, what they think, their ideas, you know, their concerns, so yeah, lovely to hear from anyone.

Yan Chow 54:05

There were so many things we could have talked about. Like you, I look forward to the future with both trepidation and hope. Thank you again for sharing your thoughts and insights on Life 2.0. I'm sure our listeners will really appreciate it.

K D Adamson 54:18

It's been an absolute pleasure, Yan, thank you for the invitation.