

Appendix 3.02.3 Flight of fancy with elements of home truths

A flight of fancy with elements of home truths

We are several hundred years ahead of now. Think of Iain Banks Culture¹ series in the sci-fi world in a post-scarcity economic climate. Genetic engineering has almost wiped out diseases. AI, advances in technology, and robots do all the work and had increase global GDP by several orders of magnitude. Society in this environment has solved the green problem and has spread itself across the interstellar universe through terra-forming planets to Earth-like conditions in distant stars with faster-than-light travel and the creation of orbital. This is an artificially created a purpose-built space habitat forming a ring typically around 1.9 million miles in diameter. The rotation of the ring simulates both gravity and a day-night cycle comparable to a planetary body orbiting a star and is run robotically via AI to create perfect climatic and economic environments. Back on Earth the climate is impossible and water is non-existent so very few people can live there.

Post scarcity economics is a branch which is becoming an important theoretical concept, however unlikely its outcome. Wikipedia defines this as²:

Post-scarcity is a theoretical economic situation in which most goods can be produced in great abundance with minimal human labor needed, so that they become available to all very cheaply or even freely^{3,4}. Post-scarcity does not mean that scarcity has been eliminated for all goods and services, but that all people can easily have their basic survival needs met along with some significant proportion of their desires for goods and services⁵. Writers on the topic often emphasize that some commodities will remain scarce in a post-scarcity society⁶.

¹ A utopian, post-scarcity space society of humanoids, aliens, and very advanced artificial intelligences living in socialist habitats spread across the Milky Way galaxy. The main theme of the novels is the dilemmas that an idealistic hyperpower faces in dealing with civilizations that do not share its ideals, and whose behaviour it sometimes finds repulsive. In some of the stories, action takes place mainly in non-Culture environments, and the leading characters are often on the fringes of (or non-members of) the Culture, sometimes acting as agents of Culture (knowing and unknowing) in its plans to civilize the galaxy. One of the main traces of the scarcity periods is the increase and fluctuation of prices. To deal with that situation, advances in technology come into play, driving an efficient use of resources to a certain extent that costs will be considerably reduced (almost everything will be free). Consequently, the authors forecast that the period between 2050 and 2075 will be a post-scarcity age in which scarcity will no longer exist.

Available at:

https://en.wikipedia.org/wiki/Post-scarcity_economy

Accessed June 2019.

² https://en.wikipedia.org/wiki/Post-scarcity_economy

³ Sadler, Philip (2010), *Sustainable Growth in a Post-Scarcity World: Consumption, Demand, and the Poverty Penalty*, Surrey, England: Gower Applied Business Research, p. 7, ISBN 978-0-566-09158-2

⁴ Robert Chernomas. (1984). "Keynes on Post-Scarcity Society." In: *Journal of Economic Issues*, 18(4)

⁵ Burnham, Karen (22 June 2015), *Space: A Playground for Postcapitalist Posthumans, Strange Horizons*, archived from the original on 14 November 2015, *By post-scarcity economics, we're generally talking about a system where all the resources necessary to fulfill the basic needs (and a good chunk of the desires) of the population are available.*

Frase, Peter (Winter 2012), *Four Futures*, Jacobin, archived from the original on 13 November 2015

Sadler, Philip (2010), *Sustainable Growth in a Post-Scarcity World: Consumption, Demand, and the Poverty Penalty*, Surrey, England: Gower Applied Business Research, p. 57, ISBN 978-0-566-09158-2

Das, Abhimanyu; Anders, Charlie Jane (30 September 2014), *Post-Scarcity Societies (That Still Have Scarcity)*, archived from the original on 14 November 2015

(Drexler 1986), See the first paragraph of the section "The Positive-Sum Society" in Chapter 6.

In the paper "The Post-Scarcity World of 2050–2075"^[8] the authors assert that we are currently living an age of scarcity resulting from negligent behavior (as regards the future) of the 19th and 20th centuries. The period between 1975 and 2005 was characterized by relative abundance of resources (oil, water, energy, food, credit, among others) which boosted industrialization and development in the Western economies. An increased demand of resources combined with a rising population led to resource exhaustion⁷.

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Is value any use?

So what has this to do with financial and the wider corporate reporting? This activity is some form of area, by orbital or by planet, or by star or some smaller geographical area has to measure what is going on. Climatically, economically and financially. Does value or some form of measurement need to occur. Quantities and volumes would need to be recorded for planning and forecasting future needs and production & raw material requirements. Of course in this world, machines create and program machines. So what is the use of value? One has to conclude that in a post-scarcity world where everyone can have everything, value has little concept. The need for financial reporting and, indeed, money, is redundant. Forecasting the needs is the only functions that is of any use. Whatever reports are necessary to help forecasting needs and resources are the only realistic function. Ensuring that everyone has every resource can be delivered by having unlimited warehousing space or rapid production techniques to fulfill the manufacturing of whatever anyone wants. The only need for satisfaction people's need may be a small manufacturing delay. Financial reporting as it is contracted with all its superstructure is redundant. Money and value may be redundant.

In reality there can never be such a post-scarcity world where each person can have whatever they want. There have to be some limits. Comfortably off. Home, all durable goods, all travel within the galaxy? One's own terra-formed planet?

It, we would argue, just can't be measured just in quantities or volumes. This post-scarcity world is an economic marvel where everyone can have just about everything they want – within reason and limits. The truth is probably near post scarcity within limits... Fiction? Perhaps but it is worthwhile thinking about what sort of reporting would be necessary in such a system where money and capital budgeting may have little place. But post-scarcity does come with some practical limits. So scarcity raises the prospect of value and money.

⁷ Aguilar-Millan, Stephen; Feeney, Ann; Oberg, Amy; Rudd, Elizabeth. "The Post-Scarcity World of 2050-2075"

⁸ Ibid.

Modified post-scarcity with some limits

In this modified post-scarcity world, resources have to be accounted for. A robot making pens does not equate to a series of robotic systems terra-forming a planet or mining in the asteroid belt. Travel to the moon take fewer resources than travel to a distant galaxy. They can't be equated. Someone has to reckon on the necessary resources to be used in such travel. Trade needs value. One ton of iron ore is not equivalent to fuel for a major expedition to the edge of the universe. Trade will probably occur because Orbitals and worlds would specialise in their strengths. Trade would need some unit of value.

Some robot or system has to predict the needs for products and services of people in this post-scarce society. There has to be a measurement of what has been achieved and what resources have been used. Even if just to predict what might be needed in the future. Quantity and volumes are an absolute necessary – so non-financial information (NFI) will become the most important aspect of reports – simply for predicting requirements for the future.

However, what about profit and value? Our assumption is that the orbital rings, planets, stars, galaxies would be formed into some type of administrative systems. Trade would require some sort of balance between resources. There could not just be a free-for-all. Let's assume that planets and orbital rings are the basic economic unit. Not every ring or planet would have all the necessary resources. So there must be a measurement of some form of value. For prediction purposes value of any assets used or owned would be based on the replacement cost – that is the only useful measurement for predicting future requirements. There is no need for stewardship? Or is there?

Each economic unit might want a statement of what has happened historically. The AI systems would need to know that in order to fine-tune their product volumes and trade requirement. But the most important aspect is to predict what their humans in that economic unit will want in the future. How many will want space travel and how far? How many new or transformed houses will be required? What are the water requirements where people can order lakes and seas just like that? And then dispose of them into something else a short while alter. Assessing the needs of humans will be smoothed because more than 50 billion people live on an orbital. So there are sufficient people to discern trends. The AI robots must monitor trends, and hope that a large group of people do not want the same thing at the same time... Or if they do gear up to meet those needs. That would be difficult to predict. But given that the needs iron out into something more smooth and predictable, the AI robots may still need to know how well or badly they did in the last period (whatever that would be) so they can make-up the deficit or eliminate any surplus. Presumably the ideal would be to just balance product and trade against the human requirement plus a small buffer inventory of resources.

So some sort of accounting for the past would be necessary mainly to change actions now or in the future. Current resource use and would be required for the future matched against the predictions of the human population.

So accounting and forecasting would be necessary. Data collection of what humans are doing and what they might need would also be vital. This is a world where Facebook and Google would love. Complete access to the desires and wants of every human. And yet there is no profit in it for such companies. Advertising and knowledge is free and would be provided by personal AI assistants.

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Appendix to Chapter 2: Reporting Theory and Failures
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