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Q7

Case study. There is a technological company named ABC Incorporated which is the second largest worldwide, situated in the Third World. You are the Chief Executive Officer and the majority shareholder of this company. The fast technological improvements have raised worries among environmental activists, regulatory authorities, and the general public over the sustainability of this scenario. You confront substantial issues about the business's environmental footprint. In 2023, your organization had a significant increase of 48% in greenhouse gas emissions compared to the levels recorded in 2019. The significant rise in energy consumption is mainly due to the surging energy requirements of your data centers, fuelled by the exponential expansion of Artificial Intelligence (AI). AI-powered services need much more computational resources and electrical energy compared to conventional online activities, notwithstanding their notable gains. Although there is already a commitment and goal to achieve net zero emissions by 2030, the challenge of lowering emissions seems overwhelming as the integration of AI continues to increase. (a) What is your immediate response to the challenges posed in the above case? (b) Discuss the ethical issues involved in the above case. (c) Your company has been identified to be penalized by technological giants. What logical and ethical arguments will you put forth to convince about its necessity? (d) Being a conscientious being, what measures would you adopt to maintain balance between AI innovation and environment footprint?

UPSC Civil Services Mains 2024 · GS IV · 20 marks · Ethics Case Studies

Case Studies on above issues.

Core demand of the question

- (a) Immediate CEO response to the 48 percent GHG rise and AI energy spike
- (b) Name ethical issues: climate justice, greenwash, Third World site, workers, future persons
- (c) Firm identified for penalty by technological giants - logical and ethical arguments on why accountability is necessary and how it must be fair
- (d) Measures to hold AI innovation and environmental footprint together

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Revision summary

The CEO's first duty is to publish the 48 percent, audit data centres, and freeze vanity AI training.

Ethical issues include climate justice, greenwash, owner conflict, host-community harm and future persons.

A penalty is logically needed to price atmospheric harm; it is unethical if it is a Northern club hitting only ABC.

Fair accountability is a sector cap, independent levy, and repair of the host grid.

Balance means smaller models, additional clean power, water caps and an honest 2030, not offsets as eraser.

Introduction

You are **CEO and majority shareholder** of **ABC Incorporated**, the **second-largest** technology firm in the world, **sited in the Third World**. Activists, regulators and the public already distrust the **footprint**. In **2023**, **greenhouse gases rose 48 percent** against **2019**, mainly because **AI data centres** drink power that ordinary search never did. **Net zero by 2030** is on the wall. The curve on the wall **goes the other way**. This is **innovation versus a livable commons**, with **your name on both**.

Body

(a) Immediate response

The immediate response is **not a slogan and not a hide**. **Acknowledge the 48 percent in public numbers**, not a fog of "intensity". **Commission an independent energy and GHG audit** of every data centre, with **scope 1, 2 and material 3**, and **publish the method**. **Freeze new training runs** that have no **named social use** until the board sees the **megawatt price**. **Name a board climate committee** that you do **not** chair alone, because you are **majority owner** and the conflict is **obvious**. **Talk to workers and host communities** before a **press note**. **Open a line to the regulator** with a **time-bound abatement plan**: renewable PPAs, **waste-heat**, **water**, **siting**. **Do not fire the sustainability lead** for telling the truth. **Do not buy cheap offsets** as a **2023 eraser**. Jonas's **responsibility to the future** starts as **this week's kilowatt**.

(b) Ethical issues

Climate justice: luxury AI inference for ads while a **heat-belt** host country **loses crop and water**. **Intergenerational duty:** 2030 net zero was a **promise** to people not yet born. **Truth versus greenwash:** a target that **rises 48 percent** is a **lie of atmosphere**. **Power and opacity:** models that **cannot be audited** still **bill the grid**. **Conflict of interest:** CEO-majority shareholder **loves growth** that **heats the commons**. **Workers and communities near plants: jobs versus smoke and water**. **Global fairness:** a **Third World** siting can be **development** or a **pollution haven** for a world-scale firm. **Human dignity in AI:** energy is not the only ethics; **bias and surveillance** ride the same racks. **Stakeholder set:** users, employees, host public, **future persons**, **investors**, **rival giants**, **the atmosphere as a silent stakeholder** (Leopold's land ethic).

(c) Penalty by technological giants - why a real consequence is necessary

The stem says the company has been **identified to be penalized by technological giants**. The ethical task is **not to whine** and **not to volunteer a suicide** that **only** ABC pays while

Northern rivals keep **training**. **Logical arguments for a necessary penalty (or equivalent hard consequence).** Without a **cost**, the **48 percent** is **rational profit**. Economics 101 and **Mill** agree that **harm to the commons** must be **priced**. A penalty that **funds grid decarbonisation in the host country** is **repair**, not theatre. **Equal treatment:** if giants **club together** to **crush a Southern competitor** while **their own AI curves also rise**, that is **protectionism wearing a green coat**, and you must **say so with data**. **Ethical arguments. Integrity** means **accepting proportionate liability** you **caused**. **Justice** means **CBDR inside the industry**: historical emitters and **present luxury models** share the bill. **Necessity** of a penalty is the necessity of **a rule that binds the strong**. You **convince** by **publishing your inventory**, **accepting an independent levy or science-based cap**, **challenging a selective club fine in a fair forum**, and **offering to join a sector standard** that **includes water and land**, not only a **press fine. Kant: a maxim of unpunished atmospheric theft cannot be universal. Gandhi: means** of the penalty must not be a **secret boycott** that **starves workers** while **founders keep jets**.

(d) Measures to balance AI innovation and footprint

Measure what matters: energy per useful task, **water**, **land**, not only **tokens**. **Siting: grids that are already clean**, or **additionality** of new renewables, not **paper RECs** on a **coal night**. **Model choice: smaller specialised models** where a giant general model is **vanity**. **Defer** training that is **advertising**, not **public-health or climate science**. **24/7 carbon-free matching**, **storage**, **efficient cooling**, **no drinking-water chillers** in a **drought district**. **Open a public R&D line** on **efficient inference** as a **duty**, not a CSR leaflet. **Worker transition** if a dirty hall **closes**. **Governance: science-based targets** with **annual vote** on whether **2030 still exists**; if not, **change the claim**, do not **change the thermometer**. **Host-state compact: tax, water cap, community audit**. Innovation that **cannot fit in a carbon budget** is **not destiny**. It is a **product choice**.

Flow diagram

> 48 percent GHG -> Independent audit
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> Independent audit -> Cap vanity training
>
> Giant penalty -> Proportionate and sector-wide
>
> AI services services -> Clean additional power
>
> Clean additional power -> Honest 2030 path

Conclusion

Tell the truth about the 48 percent, cap vanity training, and put the owner-CEO under a board that can overrule growth. A penalty is necessary as priced harm, and it must bind every giant, not only a Third World name. AI can continue where it earns its megawatts in clean power and real public use.

Facts & figures

> **Scope 1, 2 and 3**
>
> Direct emissions, purchased electricity, and value-chain emissions; data-centre electricity is usually the core of a tech firm's climate story.

Net zero 2030

A near-term corporate claim that is already in tension with a 48 percent rise since 2019; ethics requires either a real path or a withdrawn claim.

Additionality

New clean generation that would not have existed without the buyer; paper certificates on an unchanged coal night are not that.

CBDR

Common but differentiated responsibilities; inside an industry it means historical and luxury emitters cannot hide behind a Southern HQ.

Land ethic

Aldo Leopold's idea that the land community is a moral party; a data centre that drinks a drought district fails it.

Conflict of majority owner-CEO

The same person loves share price and signs the climate promise; independent board climate power is the integrity tool.

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