

Informatization and iconomy

From 1975 onwards the technical system, previously built on the synergy of mechanics, chemistry and energy, was supplanted by a technical system that is dominated by the synergy of electronics, software and the Internet. The institutions, especially businesses, are then entered a transitional phase: their organization is destabilized, their mission is reformulated.

The current economic crisis is due to the inadequate behavior of institutions, consumers and States to the "new nature" that informatization let emerge.

To get out of a crisis, you have to know where to go. We must therefore steer the strategy, taking as reference the model of a society and an economy which are by assumption *mature* and therefore, as economists say, *efficient*.

We call this model *iconomy*. It shows the *necessary conditions* of efficiency: a society that does not respect them can not reach the efficiency in the new technical system.

Here are its main results:

- repetitive tasks being automated, the marginal cost of products is negligible;
- the iconomy being capital-intensive, the risk of the entrepreneur is maximized;
- informatization giving arms to predators, the law and the judicial system must contain the predation;
- the cost function being increasing returns, the market obeys the regime of *monopolistic competition*;
- each product is diversified in varieties that differ in their qualitative attributes and respond each to a segment of needs;
- each product is a package of goods and services, developed by a partnership;
- the intensity of innovation depends on the regulation of the duration of a temporary monopoly;
- employment lies mainly in the design of products and the engineering of their production, and in the services the product includes: manual work is replaced by *mental work*;
- service jobs, in particular, require discernment and a high relational competence;
- the hierarchical organization has been replaced by a collaborative organization that practices the *trade of consideration*;
- the secret of effectiveness is the quality of the relationship between the mental work and the *ubiquitous programmable automaton* where lies the computing resource.

In total, the iconomy is an economy of quality, competence and risk.

This model illuminates the present situation:

- the essential phenomenon is the *informatization of the productive system* and not the use of smart phones, social networks etc. to which attention is focused;
- "*intelligence*" is not "*artificial*": it doesn't lay in programs, but in the minds of programmers and the action of producers;
- the main dangers are not "too much information kills information" nor "automation kills jobs": to the economy of competence corresponds a *middle class society*;
- the main danger is that of a return to feudalism: *predation could destroy the rule of law and democracy*.