

April 2024 Lewes Seminar Response: Artificial Intelligence

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Introduction: Potential Social Benefits & Costs of AI

It is, of course, easier to recognize tectonic change in hindsight. Writing 400 years after Gutenberg perfected his printing press, Thomas Carlyle observed, “He who first shortened the labor of copyists by device of movable types was disbanding hired armies, and cashiering most kings and senates, and creating a whole new democratic world: he had invented the art of printing. Assuming that AI is at least as consequential a development as movable type, I’d forecast (always a risky enterprise) that the net benefits to humanity will exceed the net costs, though the path to a final reckoning might include as much conflict as achievement. I’d also wager that what Schumpeter would term the “creative destruction” already set motion by AI will take far less time to unfold. Finally, it is worth considering that the introduction of movable type differs from the advent of AI in that the former was invented by an individual and its replication had relatively low requirements of capital and expertise. AI, on the other hand, emerged from the collective efforts of public and private institutions, often underwritten by defense and security agencies. Indeed, the technical as well as financial barriers to entry in the AI field are exceedingly high. This distinctive history of AI means that it might be much easier to regulate or exert centralized control over it than was the nascent art of printing that animated Carlyle, though it also poses its own distinct risks.

Social-Economic-Political Impacts

While many of us are just becoming focused on AI because LLMs and generative models have captured our imagination, AI has been deployed for quite some time through machine learning, big data scraping & analytics, automation of routine tasks, and more. Productivity gains in healthcare (not just drug development, but patient care and diagnoses), agriculture, logistics, education, social service delivery, e-commerce, and more are manifest, and more is on the way. As Suleyman suggests in the *Economist* interview there is no way to put the AI toothpaste back in the tube. It’s easy to tick off the improvements and possibilities attributable to AI. As with all major socio-economic transformations, however, there is a nagging political; will society manage the upheavals that stem from the inevitable maldistribution of wealth and well-being generated by such transformations? Harari raised this challenge explicitly in his allusion to successive years of 25% unemployment in Germany paving the way for the Third Reich. Of

course, a more hopeful counter example would be the U.S. response to persistently high unemployment by enacting the New Deal regulatory regime, though that did not happen without conflict and even bloodshed, nor without a confrontation with worldwide fascism.

Unsurprisingly, both Suleyman and Harari recommended regulatory schemes and a “precautionary” approach to AI, though it is hard to imagine such a system emerging smoothly. To enumerate some potential obstacles and problems with constructing an AI regulatory regime:

1. There is a legitimacy or trust deficit that must be overcome. Suleyman rather breezily referred to the need for planning and conscious design. However, his formulation invites the question of who will be doing the planning and designing and how will their schemes be accepted. To continue with the New Deal analogy, there was plenty of planning and design by experts, but it was all undergirded by successive and impressive electoral victories for FDR. Such an unequivocal democratic imprimatur seems highly unlikely in today’s political environment.
2. Both Harari & Suleyman insisted that humans still have agency, that is we can impose controls and constraints on AI development. However, which human beings? Who has a say and how will decisions be made and implemented? I can see at least two challenges on this front. On the one hand politicians with limited understanding and/or deep ties to entrenched interests could put in place a regulatory scheme that is ineffective, corrupt or both. On the other hand, transnational actors (e.g. the EU or UN) could develop AI regulation that is rejected by already skeptical publics.
3. Even if a nation or set of nations behaves in a precautionary manner, there is no guarantee that others, especially competitors, will as well. Climate policy offers a good example of this collective action problem; regardless of what the OECD nations are doing to regulate green house emissions, the BRICs continue to build out oil and coal power capacity.
4. On the question of what ethical principles should govern AI regulation, the problem as always is that even when we agree on a set of ethical principles there will trade-offs among them. Then the matter reverts to the nature and legitimacy of the process for prioritizing them...see points 1 & 2 above.
5. AI regulation, like all regulation presents its own tradeoffs and risks. According to ChatGPT,

AI regulation, while necessary for ensuring responsible development and deployment of AI technologies, also poses certain risks and challenges. It's essential to consider these risks to design regulations that effectively mitigate harms without stifling innovation. Here are some risks associated with AI regulation:

1. **Overregulation stifles innovation:** Excessive or overly restrictive regulations can hinder innovation in AI development. Strict regulatory requirements may discourage investment and experimentation, particularly among startups and smaller companies, limiting technological advancements and economic growth.
2. **Compliance costs and barriers to entry:** Compliance with complex regulatory frameworks can be costly and time-consuming, especially for organizations with limited resources. This can create barriers to entry for smaller firms and startups, concentrating market power in the hands of larger, more established companies.
3. **Slow pace of regulatory adaptation:** Technology evolves rapidly, but regulatory processes often move at a slower pace. This mismatch can result in outdated regulations that struggle to keep pace with emerging AI applications and risks, leading to gaps in oversight and enforcement.
4. **Unintended consequences and innovation bypass:** Rigorous regulations focused on specific AI techniques or applications may inadvertently stifle innovation or encourage workaround strategies that bypass regulatory scrutiny. This could lead to the adoption of less transparent or accountable AI systems to avoid regulatory hurdles.
5. **Global competitiveness and regulatory arbitrage:** Divergent AI regulations across jurisdictions can create challenges for global companies operating in multiple markets. Varying regulatory requirements may lead to regulatory arbitrage, where companies exploit differences in regulations to gain competitive advantages or circumvent stricter rules.
6. **Innovation silos and limited collaboration:** Stringent regulations focused on risk mitigation may discourage information sharing, collaboration, and open research practices in the AI community. This can impede progress in addressing shared challenges such as bias mitigation, algorithmic transparency, and ethical AI development.
7. **Bias in regulatory frameworks:** Regulatory frameworks themselves may exhibit biases or unintended consequences, impacting AI systems' fairness and inclusivity. Lack of diversity in regulatory bodies or insufficient consideration of diverse stakeholder perspectives can contribute to biased regulatory outcomes.
8. **Compliance-driven vs. ethical AI:** Regulations primarily focused on compliance and risk management may prioritize legal requirements over broader ethical considerations. This could lead to a compliance-driven approach that overlooks critical ethical dimensions such as fairness, accountability, transparency, and societal impacts.

The Elephant in the Room

For me, a critically important dimension to the discussion, and one largely unexamined in the otherwise excellent materials we read, is the role of government, particularly the defense and national security apparatus in the development, deployment, and control of AI. The military-industrial complex is hardly a benign or beneficent actor. When I queried ChatGPT on the risks of unregulated AI, one of the problems identified was, "AI technologies have implications for international security, autonomous weapons systems, and geopolitical dynamics. Lack of global cooperation and regulation in AI development and deployment may lead to arms races, escalating tensions, and challenges in establishing norms for responsible AI use in conflict situations." I suspect that even with multi-lateral agreements enforcement and compliance will be spotty at best, especially since unlike nuclear arms, mutually assured destruction is not as palpable.