

Topic:

- Governance and Regulation
- Review of Social Impact of Artificial Intelligence

# Governance and Regulation - 1

- Ethical codes are necessary but not sufficient to address harms induced by use of AI technologies.
- Already there are serious AI liability and insurance issues.
- Legislation targeting AI issues is coming into force worldwide.
- **Surveillance capitalism** (Zuboff, 2019) characterizes the nexus among AI-based user tracking, social media, and commerce.
- **General Data Protection Regulation (GDPR)** 2016 European Union (EU) regulation in law on data protection and privacy to protect human right to privacy
- Many corporations welcomed the GDPR as giving uniformity to data protection.

- EU adopted the **Digital Services Act (DSA)** in 2022.
- DSA defines a digital service as any intermediary (e.g. platform) that connects consumers with content, goods, or other services, including social media.
- DSA designed to protect the rights of children and other users, and to prevent consumer fraud, misinformation, disinformation, misogyny, and electoral manipulation.
- **Misinformation** is false information that is spread, regardless of intent to mislead.
- **Disinformation** is false information that is spread with intent to mislead.

- The OECD AI Principles (2019) presented the first global framework for AI policy and governance.
- In 2022, the EU debated the **Artificial Intelligence Act (AI Act)** the first legislation globally aiming at regulating AI across all sectors.
- AI Act is designed primarily to address harms caused by the use of AI systems.
- The underlying principle of the AI Act: the more serious the harms, the more restrictions are placed on the systems

- Under the EU AI Act systems with unacceptable risks are prohibited.
- High-risk systems must satisfy certain constraints.
- Low-risk systems are not regulated.
- For example, **social scoring**, evaluating individual trustworthiness, would be banned if government-led but not if done by the private sector.
- **Predictive policing** is unacceptable and would be banned.
- **Facial recognition** in public places by law enforcement would be restricted.

- EU followed up with the **AI Liability Directive** which would, if enacted, make it more feasible for people and companies to sue for damages if they have been harmed by an AI system.
- The US developed a **Blueprint for an AI Bill of Rights** (2022) a set of five principles and associated practices to help guide the design, use, and deployment of automated systems.
- **Governance** covers government legislation and regulation, **external governance**, but it also refers to **internal governance**, within corporations, government agencies, and other actors who are developing and deploying AI products and services.
- Many actors are putting in place internal governance measures, including ethics codes, to ensure responsible AI guidelines are followed.

- Professional standards, product certification, and independent oversight are other means, beyond external and internal governance, to ensure AI safety.
- The scope of government regulation is hotly debated and subject to intense lobbying efforts.
- Multinational corporations are alleged to use ethics washing to fend off further regulation, arguing that the introduction of internal ethical codes is sufficient to prevent harms.
- Regulatory capture, whereby legislators and regulators are influenced by, and aligned with, the corporations they are supposed to regulate, is pervasive. It is a real and significant concern for AI governance.

# Review of Social Impact of Artificial Intelligence - 1

- Digital economy puts the emphasis on information not matter.
- The **atoms-to-bits** transformation, **dematerialization**, and AI reduce friction in economic transactions, speeding them up.
- The process of **disintermediation**, the elimination of intermediary roles, is enabled by AI.
- Disintermediation is disruptive to employment patterns in the digital economy.
- Machine learning systems, trained on massive datasets, may embody racist, sexist, and other attitudes demeaning of human dignity.



- There are concerns about the alignment between human values and AI systems, in both the short term and the long term.
- AI applications are permeating the economy, eliminating the need for many skills and increasing the demand for other skills.
- Transportation and sustainability are two areas of potentially beneficial applications of AI.
- Ethical codes, legislation, regulation, and certification are being developed to restrict harmful applications of AI.