Expert consultation to discuss challenges, good practices and lessons learned in applying the Guiding Principles on Business and Human Rights to the activities of technology companies, including activities related to artificial intelligence (HRC resolution 53/59).

Recording: http://webtv.un.org/en/asset/k11/k115c684gz

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October 2024

Thank you for the invitation to speak here today. I would like to draw your attention to the implications of two distinct trends shaping regulatory efforts on artificial intelligence (AI) both nationally and internationally:

1. The Rise of AI Nationalism

Globally, we are witnessing a surge in "AI nationalism:" governments are increasingly employing industrial policies—spanning public spending, strategic investments, and regulatory frameworks—to foster and expand national AI economies and the industries underpinning them, such as semiconductor production and cloud computing. These strategies often primarily aim to enhance geopolitical leverage and bolster economic competitiveness, as detailed in AI Now's AI Nationalism report from earlier this year.

2. The Push to Democratize AI in International Arenas

In parallel, there is a global effort to democratize AI through investments and governance initiatives in international forums, including the United Nations. We've seen this narrative in the Global Digital Compact, and most prominently in the ITU AI For Good Summit.

This narrative often operates on key assumptions:
- AI carries risks that can be mitigated.
- Large-scale AI is fundamentally beneficial and even essential to achieving the Sustainable Development Goals (SDGs).
- The development and deployment of AI are disproportionately concentrated in the Global North.

Both AI Nationalism and efforts to democratize AI carry profound implications for the whole spectrum of human rights, not just civil and political, but also culture, social and economic rights, particularly in contexts involving business practices.

A caveat must be noted here: emerging technologies should benefit people globally and equitably. Yet, as the 2024 UNCTAD report on the digital economy underscores, developing nations disproportionately bear the environmental costs of digitalization while reaping fewer benefits. This imbalance must be addressed, but it is impertinent that we start by wrestling with the following questions:

1. What do we mean by AI competitiveness or democratizing AI? Are these goals achievable?

2. Is there concrete evidence that investments in large-scale AI yield societal and economic benefits aligned with the SDGs and human rights principles?
3. What minimal conditions must be met to ensure these efforts are sustainable and equitable?

In the following, I will address each question one after the other.

1. Conditions for Democratizing Large-Scale AI

The current global AI market is characterized by both horizontal and vertical concentration of power. This dominance transcends geographic boundaries, reflecting a structural "core-periphery" dynamic (rather than a simple North-South divide), where a handful of hyperscalers and Big Tech firms at the core can leverage their control over data, distribution networks, and computing infrastructure to "skew the innovation trajectory and profit flows" in their direction.

Efforts to "democratize AI" often fail to fundamentally challenge this concentration of power, for instance by solely focussing on the application layer, and offering compute credits from dominant firms. As a result, well-intentioned democratization efforts risk:
- Further entrenching market concentration.
- Creating infrastructural dependencies for entire nations.
- Introducing single points of failure.
- Enabling rent extraction by dominant players

Large-scale AI is not just altering the scope of human rights risks already associated with some digital technologies - the concentrated nature of the global AI market introduced new risks that as a result of scale. Such level of concentration seems incompatible the SDG8: sustained, inclusive, and sustainable economic growth

2. Should States Invest in Large-Scale AI?

As a result of these considerations, the decision to prioritize large-scale AI investments must be approached with caution.

Key considerations include:

(A) Trade-Offs in Public Investments:

Large-scale AI demands substantial investments. Policymakers and the international community face a stark choice: should funds be allocated to AI development or critical sectors like education and healthcare? In the absence of a clear public interest vision for AI, these tradeoffs often remain underarticulated. This question is particularly pressing given the mixed evidence that AI investments drive meaningful productivity gains or economic growth. Additionally, such investments often lack environmental or social safeguards, risking labor rights violations and undermining environmental objectives.

(B) Environmental Impact:

The environmental costs of large-scale AI—stemming from chip production and energy-intensive data center operations—pose significant challenges to sustainability. These impacts are unequally distributed, with developing nations disproportionately affected, as emphasized in the UNCTAD report.

(C) Risks in Sensitive Domains:

Finally, the uncritical adoption of AI in areas like social protection, law enforcement, and military applications heightens risks for marginalized groups. In the absence of strong, and enforceable protections - and a careful, continuous evaluation of whether AI actually delivers what it promises - using AI in sensitive domains puts people in danger (as evidence from Amnesty, HRW, UN special rapporteurs show)

3. Charting a Path Forward

Given the global emphasis placed on funding 'AI for Good,' 'democratizing AI,' and 'AI Nationalism,' how states and the international community plan to invest billions of public and private funds to boost AI needs urgent attention from the human rights community.

States and regions pushing AI industrial policy should:

- Conduct comprehensive impact assessments of large-scale AI investments, spanning civil, political, economic, social, and cultural rights, with special attention to military applications.
- Attach conditions that guarantee outcomes that serve the broader public interest to public funding or access to other public resources (including land, water, and energy). This includes accountability, climate, and labor conditionalities and standards. Conditionalities must be crafted through participatory processes that involve civil society, trade unions, and affected communities, with guaranteed transparency into the implementation of conditionalities.
- At minimum, industrial policy should be designed so that it doesn't worsen the concentrations of power in the AI stack by funneling public money to companies that already dominate the market.

States and regions pushing AI industrial policy should:

- Reflect on what "democratizing AI" truly entails. Expanding participation in AI development without addressing the dominance of a few commercial entities does little to challenge their control.
- Adopt a realistic perspective on the capabilities and limitations of large-scale AI. We cannot assume its outcomes will align with the SDGs without evidence to support such claims.

Conclusion

The intersection of AI nationalism and democratization efforts underscores the urgent need for critical reflection and action. Without addressing the structural issues in AI development and deployment, we risk exacerbating inequalities, environmental harm, and human rights violations.

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