

United Nations AI Summit
Jim Balsillie | May 7, 2024

SLIDE ONE: Introduction

Esteemed representatives and distinguished delegates, thank you for the opportunity to participate today. I am a tech entrepreneur who believes in innovation and capitalism, but they must be governed if we are to secure beneficial outcomes. To quote a recent NIST report: *“Without proper controls, AI systems can amplify, perpetuate, or exacerbate inequitable or undesirable outcomes for individuals and communities. With proper controls, AI systems can mitigate and manage inequitable outcomes.”*

SLIDE TWO: Shift from Tangibles to Intangibles

To better govern AI and data, we need to understand the economics that underpins it. The rapid evolution of technology over the last thirty-five years has ushered in a new era where wealth and power stem from owning valuable intellectual property (IP) and controlling valuable data & AI engines. As shown on this slide, IP, data and AI are now the world's most valuable business and national security assets, soaring in value compared to tangible assets.

SLIDE THREE: Structural Characteristics of the DDE

The emergence of the data-driven economy over the last 20 years has led to natural monopolies and the ensuing economic concentration due to its features of economies of scale and scope, network externalities, and information asymmetries, posing challenges for competitive markets and business dynamism, as well as sovereignty for smaller nations.

SLIDE FOUR: USPTO Patents

Patents are measurable indicators of innovative output, directly impacting wealth and power at both the firm and national levels. Advanced innovation countries have focussed on owning and protecting these assets then embedding them into international trade agreements, particularly since the WTO's TRIPS Agreement 30 years ago which arguably marked the birth of the globalized knowledge-based economy.

SLIDE FIVE: The Rapid Acceleration of AI

There is also a global race underway by large firms and nation-states to own critical AI IP by filing AI patents, as shown in the WIPO chart on the left. This alongside the chart on the right showing consumer willingness to embrace new AI products. But note the quote from recent research: *“...while there might be positive effects stemming from the globalization of IPR appropriation in terms of stimulus to inventive activities, there are doubts about whether this delivers the expected results in terms of equality and shared prosperity ... after TRIPS, patenting in Latin America became even more concentrated in foreign applicants. Thus, rather than contributing to higher innovation rates by developing country firms, these agreements appear instead to reinforce patent monopolies by leading international firms.”*

SLIDE SIX: Dual Use Nature of Intangible Assets

Because IP, data, and AI have "public good" characteristics, the strategic considerations around data and AI must involve values, wealth generation and distribution, competitive markets, privacy, health, democratic processes, national security and more, making knowledge and data governance the most important public policy issue of our time.

SLIDE SEVEN: Impacts of Data, Digital and AI on Knowledge

Note the quote from a U.S. Senate Judiciary Committee report 50 years ago, warning that new technological systems of manipulation and behavior modification undermine self-determination, the source of individuality, which is the mainstay of freedom. How prescient, especially given the contemporary harms, some of which I summarize on the right side of this slide.

SLIDE EIGHT: Enshrining Knowledge Rights

These harms are a downstream effect of the undermining of human rights in an information era. It's time to update the UN's 1948 Universal Declaration of Rights to include digital information era rights to: reality, knowledge, agency, privacy, self-representation, community and culture, and political participation and democratic self-governance.

SLIDE NINE: Policy Framework for the KB/DDE

A stable system for the Digital Data Economy requires four core elements:

1. Safeguard national security in the digital era.
2. Enable fair access to new factors of production in the intangible economy.
3. Protect and enhance citizen welfare in non-economic realms like privacy and democracy.
4. Comply with international commitments under various treaties and agreements.

Resolving these elements together with national-level implementations will preserve sovereign capacity, social values and allow for a fair shot at the economic benefits.

SLIDE TEN: A Path Forward

In closing, I have three recommendations for a path forward,:

1. Create a “***Digital Stability Board***” that supports national approaches with advocacy for regulatory cooperation and coherence on best practices,
2. Structurally address the need for fair diffusion given the nature of ‘winner-takes-most’ economics and the crosscutting effects that lead to strategic behaviour.
3. Avoid gaslighting, such as focusing on existential risks that are undefinable, unquantifiable, and indeterminate.

Thank you and I look forward to the dialogue to follow.