

ECOFIN

The question of the role of artificial intelligence (AI) in creating economic policy

What is it?

Artificial intelligence (AI) refers to systems and models that can perform tasks requiring human intelligence. What distinguishes AI is its capacity for autonomous learning. It could take in the data fed to it and teach itself. While AI can be immensely powerful in data analysis and logic, it might not be adequately able to replace human judgement on important policy making concepts such as fairness, justice and cultural nuances.

In early 2023, Geoffrey Hinton, known as the godfather of AI, resigned from Google to be able to express his concern that AI would potentially get out of control to the detriment of humanity. The improvement in AI capability happened at a faster pace than expected in the absence of proper regulation and governance that could lead to an unethical use of the technology.

Existing actions and policies.

AI is already widely used in policy making to perform specific tasks or analyze large amounts of data. As technology improves, it is imperative to promote its responsible use so that it remains a tool for improving human and social welfare.

In 2018 the White House indicated a hands-off approach to AI leaving it to the private sector, while other governments around the world have dedicated substantial resources in advancing the technology. However, regulation in this field is lagging behind the development of the technology which is now employed by millions of people across the world due to the ease with which it can be accessed and used.

Conclusion.

AI can be a powerful tool for policymaking and policy implementation, allowing for efficiency enhancements, improvements in quality of public services, and time savings on administrative tasks. AI has applications across the various stages of the policy cycle, from agenda setting to policy formulation, decision making, implementation, and evaluation. However, who develops

the AI and how it is developed also pose risks because human factors such as biases, prejudices or experience can influence AI algorithms and models and, ultimately, the results generated. This carries strong ethical concerns on the potential utilization of AI.