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Terms of Reference

Transforming democracy: how can democratic states best use AI and thrive?

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DITCHLEY

Terms of Reference

This Ditchley conference will explore how democratic states can adapt to the AI revolution, with the aim of strengthening their outward competitiveness, whilst at the same hardening their inner resilience as democratic societies. A mix of policy makers, technology leaders and civil society advocates will explore what kind of AI-enabled society, democracy and state we should be aiming for and the near-term real-world steps that will be necessary to deliver that vision.

Developments in AI promise tremendous benefits for states that harness them effectively, and the competition for the supporting technologies, talent and infrastructure needed to realise them is intense. AI promises transformational change across society. It seems likely that AI, rather than simply accelerating economic growth or offering new tools for security and statecraft, will bring deeper structural shifts in the way that power is accrued and exercised.

This offers risks and opportunities for democratic states, which must consider how best to protect and enhance democracy, the freedom of the individual and the social contract in a rapidly evolving context. Private sector leadership of these technological developments gives the challenges a new dimension both for the companies but also for governments who must collaborate with them. There are significant safety issues to be navigated when it comes to deploying AI in critical systems. More broadly, AI could intensify existing difficulties over society's sharing of information and cause shifts in the nature of work more rapidly than populations can easily adapt.

Wider geopolitical competition between the US and China frames the emerging picture. In a multipolar world, many countries are hoping to pick and choose between US and Chinese AI eco-systems, aiming to strike the best deal on a requirement-by-requirement basis, and to avoid capture within a superpower's orbit. For the US' allies, however, such choices may be more limited in practice. Engagement with China is likely to be increasingly limited by concerns on data privacy and security, underlined by US objections to allies straddling the two AI eco-systems. We might hope that growing awareness of the threats alongside benefits from AI might bring new forms of geopolitical co-ordination. How can we encourage this? The UK's decision to invite China to November 2023's AI summit was somewhat controversial. Should our aim be inclusion of China and how can that be managed?

Complete reliance on the US for advanced AI capabilities is not necessarily a good outcome for democratic states. There are legitimate concerns over technological sovereignty, the ability of a country to underpin its freedom of action in the world with sovereign capabilities.

Most western aligned countries are already reliant on the US state for nuclear deterrence. On current trajectories, they stand also to become reliant on US companies for foundational AI capabilities.

With regard to the economy, the US is both a trading competitor and a partner. Reliance on US companies may entrench current US dominance of digital platforms in the marketplace and deprive other states' companies of access to data to drive innovation and new business models.

The rapid impact of AI on the economy and state capabilities is likely to force countries to choose between acceptance of heavy reliance on one of the superpowers, the fastest route to capability; or a bold investment programme to develop sovereign capabilities as quickly as possible.

Even if countries decide to make such investments, there are obstacles to navigate. First, there is that lack of access to data, given that most data resides on US-based digital platforms. It is often claimed that in China the data is owned by the state, in the US by the companies, and in Europe by citizens. There is a challenge for European companies in combining citizens' data to fuel AI development, although also some clear opportunities through better structured health data. What is the right balance on privacy?

Countries lagging behind the first wave of frontier AI development are likely to struggle to secure compute resources (semiconductors and Cloud know how) even if they can afford the investment. Access to the right talent may also be a problem. Outside of the US, capital markets struggle to deliver the scale of growth capital needed.

For the EU as a large-scale market, there is the hope that its considerable regulatory power will protect fundamental rights in democracies and also drive local benefit from AI. It is not clear, though, that AI will be susceptible to single market regulation in the same way as GDPR was able to shape companies' approach to data. Nor that regulation will stimulate AI innovation and business models in Europe.

What is the ecosystem of institutions, licensing, standards and auditors that will help create state capacity in ways that add to legitimate and democratic systems? What expertise is needed and does the UK as a leading middle power already exhibit emerging clusters of expertise on AI governance?

Open source AI models are increasingly seen as a way round reliance on US corporations. What are the opportunities and risks for state reliance on such models? Would this intensify or reduce safety concerns?

Detail

The question of what 'state capacity' means in the case of AI is by no means settled. Metrics range from complex indices [1] to a simple statement of how much expertise on AI technologies sits within government[2], while others take issue with approaches at both ends of the spectrum, arguing for a more holistic view of what aspects of AI contribute to and detract from competent statehood[3]. A bounded version of this latter view might consider only the various roles of the state, companies and the citizen in developing the people, skills, regulation and legislation, infrastructure and resources necessary to deliver innovation in AI and implementation of the developments resulting from it. A more complete approach might incorporate considerations of how those developments, and the processes of realising them, influence the functioning of a democratic state and the freedoms of the citizens within it. How will AI change the social contract between the citizen and the state?

We will explore in the plenary discussions and in the working groups outlined below, how a successful use of AI capabilities could contribute to the core functions of a democratic state and what steps would be necessary to deliver those capabilities effectively and safely.

The first function of any state, particularly democratic states, is to protect citizens from harm and to enable the collective pursuit of values and influence in the world as part of that protection. No state of any size is content simply to stand on the border and try to intercept threats at the goal line. That said, states do have a responsibility to police their borders and only allow entry to people whom the state has authorised. This raises the question what can AI do to transform not just national security and defence but also diplomacy and immigration?

States need to protect society from its own members too. How can AI support effective policing whilst preserving democratic values?

States need to deliver services to citizens that enable the effective conduct of economic life, attract capital investment in the country, fix market failures and support citizens at times of need. Health is an ever-growing challenge as populations age and treatment options increase. How can AI make the running of the economy, market interventions and social security systems more targeted, equitable and effective? How can AI improve education to enable a response to rapid change? And what will AI contribute to managing the societal impacts of climate change, to meeting emission targets and to innovation in climate technologies?

[1] See for example the Oxford Insights Government Readiness Index (https://www.oxfordinsights.com/government-ai-readiness-index-2022)
[2] Frontier AI Taskforce: First Progress Report, September 2023 (https://www.gov.uk/government/publications/frontier-ai-taskforce-first-progress-report/frontier-ai-taskforce-first-progress-report)
[3] Arthur Holland Michel, "Recalibrating Assumptions on AI", Chatham House research paper, April 2023 (https://www.chathamhouse.org/2023/04/recalibrating-assumptions-ai)

Democratic states have a special responsibility to deliver to citizens a say in the running of their societies and the ability to hold elected officials and paid servants of the state to account. How can AI be incorporated into the running of democracies to make democracy more representative and politicians and officials more accountable?

For the middle part of the conference we will break into three working groups, so as to be able to explore a range of issues in more detail.

Working Group A: The state as protector and police officer (defence, security, diplomacy, policing and immigration)

What can AI do to transform not just national security and defence but also diplomacy? How can policing within democratic states be improved by AI? What can AI contribute to effective and equitable immigration policy and controls? How can the state harness AI to deliver its national and domestic security policy goals, while remaining truly democratic, free and good? What practical real-world steps are needed to take us forward on these challenges, building capacity for the future?

The global competition for technical supremacy is largely seen by its two leading players, the US and China, as zero sum. In this context, how can democratic states develop geopolitical advantage using AI and related issues, such as infrastructure, skills, regulation and data, and what would need to be put in place to allow that? More directly, the increased capacity for rapid, confident (and sometimes confidently incorrect) decisions that AI tools offer to militaries promises to greatly increase detection, targeting and perhaps prosecution of important, even strategic, targets in a way that threatens traditional thinking on strategic stability. Are there aspects of state capacity that need to be developed and integrated to address these questions for influence, defence and security overseas?

At home, advances in image recognition, profiling and pattern detection alone may augment law enforcement response to some issues (such as child abuse and online exploitation), but their unrestrained use has clear implications for ethics and public trust in policing, and there is little evidence that the judiciary or the law is capable of coping with rapid advances in AI tool employment. How can policing and immigration best use AI in a democracy?

Working Group B: The state as the framer of the economy and innovation (economy, research and innovation and state services)

How can AI make innovation, running of the economy, market interventions and social security systems more targeted, equitable and effective? How can AI improve health and education? What real world steps need to be taken?

The economic potential of AI is huge, as is the potential for improved productivity in industries that make use of AI and AI-enabled tools. There is clear potential for an increased rate of innovation. How can this be realised? The challenge for democratic states is to ensure that the benefits of innovation are fairly realised across society in a way that does not concentrate power unfairly or entrench existing inequalities. Are there ways that states can enable socially good business advantage?

Are there benefits for the public sector and public services, in addition to increases in productivity gains, that can in the short-term result in benefits to a greater number of citizens? To what extent can current state models of public services and public sector delivery be sustained in an AI age, or will transformation be pervasive and essential? How can health outcomes be improved through AI? And can citizens be educated in a timely manner on these issues such that they are not left behind by the pace of change (an issue that will be taken up at our next Ditchley conference, on AI, education and work)?

Working Group C: The Democratic State (political life and the social contract in an AI age)

How can AI make democratic representation better and more complete? How can fundamental rights and freedoms of citizens be protected and checks and balances on executive branches of government be more effective?

The potential for AI to greatly exacerbate the challenges of the information environment has been widely discussed in recent years: sophisticated image, audio and video deepfakes are already part of our political landscape, and disinformation and hoax campaigns are endemic. This issue has not yet been adequately addressed – and to it we can add potential future impacts on other aspects of statehood and civil society. For example, the education environment will also change as methods of personalised learning become the norm.

As technology advances rapidly and the ability of even the most assiduous researcher to keep abreast of transformative technology developments is challenged, what hope is there for the citizen who is affected by those developments? Are there ways of making sure that power is not concentrated in the hands of an obscure few, and that the citizen understands and can meaningfully control their relationship with the evolving state, and with the private sector? What implications might there be for core democratic processes such as voting, or for data exchanges with the state?

And how can licensing and regulation be designed to protect the citizen while enabling the fullest exploitation of AI to positively transform public services? In sum: what does a vibrant and functioning democracy look like in a world where AI tools and technologies are employed in all areas of the state?