How Do We Interact with AI?

By Masakazu Toyoda

The current debate on AI is intense. The media are overloading us with different and diverging views every day. The information ranges from extreme positive to excessive negative, so much so that it triggers vertigo. Some say AI is a great invention with the potential to revolutionize the world, just like the internet or the internal combustion engines did in the past. Others say that AI is a devil's invention comparable to a nuclear bomb; it could easily lead the world into major confrontations or even wars.

If the subject of AI is of interest to you, please read the roundtable discussion in the JEF's May/June 2024 issue. We have included a debate between three experts - a developer, a user, and a regulator.

I frankly don't have enough knowledge to talk and advise about it, but I must admit that it is piquing my curiosity. As someone who is still in the middle of learning, I am currently more inclined to trust those that describe the importance of AI similar to the contribution of the internal combustion engine to automobiles. In other words, it is perceived as very useful despite needing certain regulations and guidelines. It is true that the automobile redefined mobility and dramatically increased the range of human activities both in terms of time and distance. However, one cannot deny that road accidents have claimed more than a few lives along the way. In people's mind, if the traffic rules are observed, accidents can be minimized to an acceptable level. It may be the same for AI.

It seems the benefits of AI for humanity are unlimited. For example, it improves work efficiency, translates texts into different languages, writes meeting records instantly, streamlines data management, etc. It is moving us towards a faster, more accurate and optimized decision-making process. On the other hand, some of the pitfalls could be that it can be used to spread fake news, distort election results or even start needless wars.

One very important message I picked up from the roundtable discussion is that it is most probably riskier not to use AI than it is to adopt it. Improving operational efficiency should be a blessing for the many countries facing declining populations and an ageing population. Indeed, labor tasks may slowly disappear because of AI, resulting in less people required to do those jobs. On the other hand, intellectual property violations may also arise for creative work such as scenario writing or musical composition. What is needed for the former is investment in human resources, while what is needed for the latter is the creation of appropriate rules, including clarification of the creative works used as materials. AI is currently a 'simple tool' that will no doubt become a 'superior tool'. If AI makes work more efficient and ensures a better 'life-work balance', our lives will be enriched. Already many are pointed out that the use of AI

in the creation of parliamentary answers is worth considering; it improves the work efficiency and reduces the burden on civil servants.

So, what are the 'appropriate basic rules'?

Japan, last year's chair of the G7, led the 'AI Hiroshima Process'. Without going into too many details, the aims for AI were labelled as "safe, secure and reliable". The US, a leader in AI development, was not highly interested in setting over-arching regulations, despite a slowly growing movement towards regulation in the US. For example, about 40 states have already introduced regulations pertaining to specifications for the use of AI-generated images and sounds. The EU, on the other hand, is extremely strict in ensuring personal data and intellectual property rights and appears to be leading the way in regulation. In mid-March, the European Parliament agreed by a majority vote to a bill comprehensively regulating AI and imposing high fines on violators. In Japan, so far, many people seem to believe that guidelines are preferable to regulations which may go too far. It will be necessary to look at future regulatory developments globally.

Regarding the possibility of AI technological singularity, there are concerns about a hypothetical future where the creativity of AI reaches the same or even surpasses the level of the human brain. One simple example of that is automated driving cars. Rather than tightening regulations at large and stopping development, it would be more realistic to consider appropriate and specific regulations that would take into account the unique characteristics of new technologies as they approach introduction.

In early April, Prime Minister Kishida visited the US and discussed various forms of US-Japan cooperation, ranging from defense to cutting-edge fields such as space, AI, and quantum technology. In general, Japanese companies have been conspicuous laggards in the digital field, both in terms of development and utilization. With regard to AI, however, some start-ups have emerged and appear to be gaining a respectable position. Japanese and US companies are ready to provide funding to support cooperation between Japanese and US universities. If we agree that AI is to enrich human life, it is important to prioritize international cooperation. We look forward to the concrete development of international cooperation between countries and not only between Japan and the US.

Masakazu Toyoda is chairman and CEO of the Japan Economic Foundation (JEF). He previously served as chairman and CEO of the Institute of Energy Economics, Japan, after having been vice minister for International Affairs at the Ministry of Economy, Trade and Industry.