

## **2019 ANNUAL POLICY DIALOGUE**

### **Digital Transformation and the Future of Democracy: How Can Artificial Intelligence Drive Democratic Governance?**

**World Leadership Alliance-Club de Madrid & IE School of Global and Public Affairs**

**21-22 October 2019 • Madrid, Spain**

**Overview:** The **World Leadership Alliance-Club de Madrid (WLA-CdM)** is organising its 2019 Annual Policy Dialogue in partnership with the **IE School of Global and Public Affairs**, bringing key stakeholders to Madrid for a timely discussion on the implications of digital transformation and Artificial Intelligence (AI) for democracy. The event aims to take stock of the current debate and propose key policy recommendations to ensure that digital technologies and, more specifically, AI systems, are designed, developed and deployed to benefit individuals and societies while upholding democratic values and institutions. The dialogue will offer a unique platform for multi-stakeholder conversations involving representatives of governments, academic institutions and think tanks, tech companies, and civil society, as well as 30+ democratic former Heads of State and Government who are Members of WLA-CdM

#### **CONCEPT NOTE**

##### **Background**

Digital transformation brings along great opportunities for democracy but also enormous governance challenges. Almost no element of our social fabric is spared from the impact of these disruptive technologies, which are rapidly reshaping the way citizens work, live and communicate.

The extent to which governments and corporations succeed in amassing and using relevant data –the means of production of AI– is set to alter the global economy and the balance of power between states, markets and civil society. The rise of AI is reshaping the geopolitical and societal orders in ways researchers are only beginning to examine.

The use of AI may pose a challenge to democracy, but, if handled correctly, it can also bring more and better democracy. Democratic governments simply cannot afford to lag behind; they must govern the digital game before it governs us all. The digital is political and therefore requires a political response: *How can we anticipate the fast-changing world of AI and reap the benefits while countering the risks it poses to democracies?*

Not only are digital technologies reshaping global politics, but they are affecting the very core of domestic governance too. The use of social media, bots and automated systems to interfere in electoral processes is but an example of this. The combination of the digitalization of public debate together with highly sophisticated means of election hacking can unsettle the legitimacy of democratic institutions and with it the very foundations of the liberal order.

Engaging with actors across the globe, including the tech industry, will be of the essence to garner consensus around a new world order shaped by exponential digital transformation, but liberal democracies must first protect themselves by facing up to the challenge of redefining an increasingly contested system of democratic governance in the age of AI.

The Policy Dialogue on AI and democracy seeks to move the conversation on AI beyond tech and into the democratic governance arena. The assumption is that *the digital is political* as coined by Jamie Susskind in his book “*Future Politics – Living Together in a World Transformed by Tech*” (2018). By bringing together experienced politicians, tech companies, academic researchers, and civil society representatives, the organizers are aiming to promote ‘multi-stakeholderism’ in the articulation of informed policy proposals and solutions that can effectively turn the design, development and deployment of AI into a driver for democratic innovation and renewal at a time when wide-spread dissatisfaction with the present system and uncertainty about the future are seriously affecting public trust.

## **Objective**

The Policy Dialogue is organised with a twofold objective. Firstly, to offer a multi-stakeholder platform that can stimulate new thinking in response to arising opportunities and challenges of AI and other digital technologies that are relevant for the future of democracy. Secondly, to enable the identification of the most effective policy response, including the establishment of oversight structures, to support AI as a driver for stronger democracies while countering its potential risks.

## **Expected Outputs**

- Multi-stakeholder engagement: A common understanding on the potential risks and benefits of AI is reached
- Call for action: Common positions and key policy recommendations on digital technology/AI and democracy are identified in view of raising awareness and informing the actions of multiple stakeholders on the matter.
- Action points: Two-three initiatives for concrete action are taken forward as projects by WLA-CdM and partners.
- Spain positioned as reference country at the forefront of the debate.

## **Rationale**

The overarching questions guiding the policy dialogue are:

- To what extent do digital technology and AI strengthen or threaten democracy?
- What kinds of policy responses are required to address the increased use of AI and its multifaceted implications for democracy?
- How can political leaders advance such multi-dimensional policy responses?

The following *sub-themes* will guide the **three action labs** in which concrete policy recommendations will be discussed and agreed upon:

### **A. Fundamental Rights in the Digital Era**

AI can be used to strengthen democratic governance and institutions as long as the design, development and deployment of intelligent systems is done in a manner that upholds fundamental rights and core democratic values. Additionally, it can empower societies by enabling the creation of programmes that bring progress to humanity. However, the exponential autonomous collection, processing, management and distribution of data –the means of production of AI– may be significantly invasive and pose a major challenge to traditional definitions of privacy, further deriving in an infringement of the fundamental rights of freedom and equality.

Massive data collection has increased the possibility of repressive surveillance on an unprecedented scale. Pervasive tracking can give platforms important information on user behaviour, which can end up determining the interest they pay on a loan or their access to a job listing. Data brokers can place individuals in high-risk classifications based on their search history, further enabling discrimination. AI systems are also overhauling key sectors such as the insurance industry, which can lead to personalized pricing based on indicators that are little but proxies for factors that would otherwise be illegal to consider, such as race, sex, poverty or genetics. Furthermore, decisions that have traditionally been made by governments because of their nature and impact on human lives, currently belong with tech elites that do not play under the same rules. This unprecedented concentration of power in corporate hands raises urgent questions pertaining to the legality and legitimacy of their actions. The privacy challenges that arise from the Big Data society require a deep debate over the ownership and treatment of information. Special attention must be given to the issue of transparency and accountability surrounding the collection and use of data by private actors.

Increasingly too, decision-makers are turning to AI to render governance more effective and efficient and improve their public policy responses. Good practices surrounding AI-powered public service delivery abound. However, the adoption of automated decision-making systems by governments raises important challenges related to transparency, reliability and accountability. The rise of black box algorithms can perpetuate bias while hindering political responsibility.

*Should individuals exert more or total ownership of their own data, or can a balance be struck with corporations and governments that would allow for the collection and use of data for targeted service delivery while protecting the fundamental rights of the individual? How can governments ensure that online service providers refrain from using or manipulating data for their benefit or that of third parties? Whose responsibility is it to guarantee that digital technologies are not discriminatory? What regulatory measures should governments adopt to ensure citizens' fundamental rights are guaranteed? How can automated decision-making be regulated to guarantee accountability?*

## **B. Data Economies and the Future of the Social Contract**

Promises linked to the development of the data economies are only matched by the already existing risks: rising inequalities; power concentration; and undermining of the democratic systems. Current asymmetries of power between the few tech corporations and democratically-legitimized national governments pose a significant challenge to our political system, at times rendering existing governance structures and institutions ineffective or obsolete. Ever-increasing data flows fuel economic growth, yet the distribution of its benefits poses significant questions. Wide adoption of AI across public and private sector allows for efficiency gains, at the same time exacerbating current lines of socioeconomic and political divides, shaking the fundamentals of the post-WW2 liberal social contract. A new level playing field is needed to secure inclusive, beneficial and democratic growth. The purpose of this group is to reflect on the policy responses that can facilitate new institutional arrangements on the national level.

*What government levers can be used to secure just distribution of the benefits of the digital economy? What long term educational strategies can nation states adopt to prepare its population for what the future labour market holds? How to democratically debate and decide about emerging technologies under filter bubbles, hiper polarisation, and populism?*

## **C. Trust and Public Debate in the Disinformation Age**

Digital technologies have opened new channels of communication and coalition building that allow for direct interaction between political leaders and citizens. They have also created a space for the expression of political ideas that might otherwise not find their way to the political debate. Digitalization has lowered the barriers for citizens to engage in nation-wide political conversations. In countries where traditional media cannot veer free from government restraint, the use of internet and social media provide an alternative outlet free speech.

However, digital technologies also bring about new information challenges such as the extensive use of persuasion architecture. Online anonymousness, zero-cost publishing and content retransmission are favouring the propagation of political messages, hate speech, extremist and polarizing ideas that would meet more hurdles and receive less attention in the non-

digital world. Algorithms, whereby search engines and newsfeeds prioritize content based on each user's profile, have created echo chambers that push online citizens away from multi-faceted analysis into ideological one-sidedness, blocking the construction of public debate. AI-driven technologies take advantage of our identities using algorithms to create specific targeted content to perpetuate existing bias; this is further reinforced when such content is embedded in deep fake materials or fake news. Controversies surrounding the alleged malevolent viral circulation of fake news during the 2016 presidential election in the US and the 2016 Brexit referendum are just two recent examples of how democratic systems can be affected by attacks on information integrity in the digital environment.

*How can democratic governments use AI to combat fake news in order to support information integrity? How can AI be used to identify and stop deep-fake videos before they spread and what role should governments and digital information companies play in this regard? How can AI be used to create a transparent, reliable and productive interface between the government and its citizens? Should governments regulate the internet in order to promote information integrity or does regulation inevitably lead to censorship and a decline in speech and press freedoms? How can a safe and resilient public debate be structured in the digital era?*