AI LEADERS PODCAST
EP 64 RESPONSIBLE AI: ETHICS, DEPLOYMENT AND REGULATION
TRANSCRIPT

00:00:27 Arnab Chakraborty
Hello everybody. I'm Arnab Chakraborty, chief responsible AI officer at Accenture. In our newest thought leadership, rethinking responsible AI from readiness to value. We surveyed 1000 + C-level executives spanning across 19 industries and 22 countries, in collaboration with Stanford University.

00:00:51 Arnab Chakraborty
Our research report really, you know, goes into the depths of exploring the attitudes of responsible AI, the evolving risk landscape that organizations are facing around AI and the organization level of readiness when it comes to implementing responsible AI. One of the key themes of the research is around regulations.

00:01:11 Arnab Chakraborty
And it's really fair to say that the regulatory space is complex and today we are here to discuss this theme and with me, I've got the privilege of having Cathy Li, head of data and AI at World Economic Forum. Cathy, really appreciate your time and welcome to our session.

00:01:29 Arnab Chakraborty
Good.

00:01:30 Cathy Li
Thanks for having me, Arnab. It's always a pleasure to speak to AI together with you and Accenture.

00:01:38 Arnab Chakraborty
Thank you. Thank you, Cathy. I think it's really great that you are here, and I think the topic is you know is really, extremely relevant today, especially with everything that's going around with generative AI and the buzz that we are seeing.

00:01:52 Arnab Chakraborty
And Cathy, you know, as part of this thought leadership that that we have been working on, we see that over 77% of the companies and the C-level executives that we spoke with, they all brought up this topic that either their organizations are facing, you know some form of regulation coming from AI. Or they are expecting, you know, the AI regulations to be applicable for them over the next five years.

00:02:18 Arnab Chakraborty
Over 90% of the C-level executives also highlighted that there are adjacent, you know, AI obligations that are coming in either because of cyber security because of consumer protection, data protection and so on and so.

00:02:33 Arnab Chakraborty
Forth, which they will also be needing to comply with. So, I wanted to start the discussion.

00:02:38 Arnab Chakraborty
There, you know, with you and get your views about.

00:02:41 Arnab Chakraborty
You know, as we hear about the concerns for AI, you know, transformative potential and how it intersects with regulatory, you know complexities that we are seeing today. I would love to get your perspective. You sit in a very unique position you know at WEF you know watching this and being involved in this. So would love to get your perspective on the intersection with regulatory complexities and the AI stands for maybe transformative potential.

00:03:05 Cathy Li
Thanks, Arnab, you're absolutely right. For example, even this morning we just had the International Business Council meeting with over 100 CEOs here in Geneva. And AI obviously has always been on the top of everyone's mind since I think now almost two years.

00:03:26 Cathy Li
Last year, the discussion was mainly around, you know, the kind of opportunities that AI is going to create and, and now we're almost two years in. You can see that many of the organizations, if they haven't deployed AI before, they definitely have now and there is more and more grappling with the difficulties of governing and regulate the technology and police in their own organizations but also collaborate with policymakers and the reason of this complexity is because the technology itself is transformational. It has transformational potential, but that creates both opportunities and risks, leading to significant challenges when it comes to regulatory concerns. So, policymakers must balance encouraging innovation with addressing concerns such as bias, privacy, and job displacement. These regulatory complexities stem not only from the rapid pace of the AI development, but also from the fact that AI is a foundational technology. It's a general-purpose technology.

00:04:36 Cathy Li
It has applications spending multiple sectors and being accessible to users of all kinds, from individuals of all ages to businesses of all sizes, and as a result, the scope of regulatory challenges is much broader as well, requiring regulators to capture risks that are emerging, unknown and distributed across every part of the society and the economy.

00:05:04 Cathy Li
This complexity can lead to the temptation of creating additional layers of regulation, even when existing regulatory tools might already be sufficient. If adapted to new AI use cases. So, the challenge, therefore, is finding a regulatory approach and flexible enough to address the multi facaded nature of AI while avoiding unnecessary regulatory burdens, and you might say that sounds very complicated and very difficult to actually make it happen in reality. And that is why the forum we launched the AI Governance Alliance back to June 2023, with the aim to champion the responsible development and deployment of AI systems and with generative AI being the focus of the work. And we've been very lucky also to partner with Accenture, particularly working on the Governance and regulations track what we titled as the Resilient Governance and Regulation.

00:06:15 Cathy Li
What we're trying to do is really to provide practical guidance for the development of regulatory and governance solutions that equipped policymakers and other decision makers from all the sectors to address emerging challenges of generative AI systems. We also try to identify areas of actions for public, private collaboration and international cooperation to foster an interoperable, inclusive and effective global AI governance environment.

00:06:51 Cathy Li
We've already with the ongoing work we are going to actually publish a 360 regulatory governance framework that provides policymakers and regulators with a comprehensive 360° framework for the governance of gen AI examining existing regulatory gaps, governance challenges unique to various stakeholders and the evolving needs of this dynamic technology. Looking forward, we're now in the scoping phase again with Accenture that we're hoping that we can build on the work that we've done already with the Community and further explore the challenges of the AI governance by the private sector.

00:07:39 Cathy Li
The aim will be to support governments to better understand private sector AI developments and their governance responses so they can provide more tailored guidance. So yeah, in a nutshell, it is complex, but at the same time it is something that's quite urgent for the private sector and public sector to address together.

00:08:03 Arnab Chakraborty
Thanks. Thanks, Cathy. Thanks for bringing the great work that WEF is doing. You know, with the AI Governance alliance and I think it's at the heart of as you said, you know, bringing the whole ecosystem together to solve, you know, for this complexity around the regulations and make it very practical so that we can have the right balance, you know, between the compliance aspects as well as the innovation aspects you know that AI brings with itself. You know a topic that comes to mind as you as you highlighted you know the work that that WEF is doing, you know in the space of AI governance and we have the opportunity of working together with you, Cathy, and you know one thing that we are seeing especially with after the European Union AI Act, you know, came to the floors. And as we have been talking to the C-level executives, there is a lot of discussion around whose responsibility is, is, prime in terms of taking care of the obligations with the regulations.

00:09:02 Arnab Chakraborty
And when we spoke to the C-level executives, 80% of the companies believed that the mitigation of gen AI risks will be the sole responsibility of the foundation model providers. You know, they also highlighted that it will require a significant amount of global coordination and global agreement on the AI governance, which is where, you know what WEF is doing is you know front and center. So, my question to you as the you know, as you sit at WEF and work with, you know, hundreds of Fortune companies and policymakers around the world, what kind of strategies, business leaders and organizations will have to deploy to address this complexity, address this uncertainty, address the ambiguity of the AI regulations and what can what can organizations do practically to address this and navigate the complexities of the AI regulations?

00:09:58 Cathy Li
That is a great question, Arnab, because the policies and regulations can only go so far as to protect businesses. And businesses they themselves are already looking for different ways of making sure that their employees first and foremost, their customers, their users, are also protected. Whenever there's new technology that's being deployed, but at the same time, I think it's also not as mature to think that eventually, a lot of the responsibilities will be solely associated with the model producers, because the reality is as we were just discussing earlier, that because it's a general purpose technology.

And where it could be most useful is when organizations actually take the model and train them with their own data sets within a secure environment. And then therefore, once you do that, the responsibility, if you think about it, is no longer solely on the model producers and that's quite obvious. So regardless, there needs to be guard rails that's put in place within each of the you know, the firewall of the organizations.

00:11:14 Cathy Li
And there also needs to be coordinated kind of actions when it comes to potential AI risks. So, there are some of the things that the organizations can do, and we again look forward to work with the whole community in the next few months to surface even more practical recommendations.

00:11:34 Cathy Li
Some of the early practice best practices that we already are seeing through the work we've done so far are, for example, for business organizations to engage early with policymakers and contribute to shaping the practical regulations.

00:11:53 Cathy Li
Because of the importance of public private sector dialogue and how public sector can actually support business towards implementing RAI, responsible AI practices.

00:12:06 Cathy Li
Because governments are, they need to carefully consider how to avoid over and under regulation to foster a thriving and at the same time responsible AI ecosystem where AI is developed for economic purposes, includes robust risk management.

00:12:25 Cathy Li
And where AI R&D is fostered to address critical social and environmental challenges. But since the market driven objectives may not always align with public interest outcomes, governments can also encourage robust and sustained RAI practices through a combination of financial mechanisms and resources, clarified policies and regulations, and interventions tailored to industry complexity.

But all of this requires collaboration from the industry. If the government don't understand the complexity of the industry, they won't be able to help you to tailor the interventions as you can image.

00:13:11 Cathy Li
From the business organization's perspective, there are other instruments that can be leveraged. For example, develop the kind of adaptive compliance programs using sandboxes and pilots to stay flexible. So, keep you know, learn through the, through the process.

00:13:33 Cathy Li
There are also other opportunities, for example, collaborate across different jurisdictions and align with global standards for consistency. And last but not least, implement risk management and certification type of program to demonstrate the organization's commitment to a responsible AI as well.

00:13:56 Cathy Li
One example I wanted to give a shout out to is for example, with the financial services sector, particularly for the institutional investors, the forum already has been working with the community and published a responsible AI playbook for investors in collaboration with the Canadian Pension Plan Investment Board earlier this year, where we really emphasize the critical role large investors play in promoting responsible AI to drive sustainable growth and mitigate risks associated with AI technologies.

00:14:36 Cathy Li
The playbook really outlines how investors can accelerate the adoption of RAI to help drive value. That highlights the importance of engaging stakeholders such as corporate boards, asset managers and the broader ecosystem to embed RAI principles across investment purpose.

00:14:56 Cathy Li
Plus, the playbook also discusses the need for adaptable governance framework, continuous learning, and collaborative efforts to develop the standard RAI metrics and practices. So that's really just one example for the financial services sector in particular. And again, we look forward to work with Accenture to surface more best practices that's tailored to each of the sectors.

00:15:25 Arnab Chakraborty
Cathy, that was that was brilliant. I think you touched upon multiple facets, you know that organizations can take, and I think the private sector and the government collaboration I think is a really, really important point and I think it's a give and take. The government wants to engage and it's also up to us as private sector to really inform the government and the policymakers as to what works, what doesn't work.

00:15:50 Arnab Chakraborty
And so, I think that's the really, really important point. All right. So, Cathy, I think that was really great. I think your practical advice in terms of what organizations should do to address the complexities of regulation, I think is, is fantastic. And I think it's spot on with the private sector and the collaboration with the policymakers and the government.

00:16:10 Arnab Chakraborty
I've had first-hand experience, you know, at addressing the Senate House in the United States in DC, where they were all interested to learn from the private sector of what works, what are the risks, you know? And what are the practical best practices that we are seeing that works in the in that option of AI and managing the risks of AI. So, I think that was a really, really important point that you made.

00:16:35 Arnab Chakraborty
You know one of one of the topics I wanted to get a little a little more steer from you is when we talk about the topic of AI risks and how responsible AI can help us navigate the journey, you know, to create trust, you know, build more transparency.

00:16:51 Arnab Chakraborty
The topic of fairness and bias comes into the picture and organizations, whether it's a healthcare industry, whether it's consumer goods or retailer or a bank, everybody is concerned about the topic of fairness and the and the topic is simple and at the same time very complex because there are 50 different definitions of what fairness can mean and how to address that? And there are so many different techniques and standards to kind of address that. And this comes up in all of my conversations with, with, with C-level executives. So, we'd love to get your perspective, Cathy, in terms of as you think about the concept of fairness and bias and how we are able to mitigate that, what are the challenges that you see in defining the topic of fairness and addressing the topic of fairness, the to make sure that AI, you know, solutions are being fair to all those parts of our society and population and constituents.

00:17:47 Cathy Li
Yeah, that is a great question and probably the most difficult one to address because of fairness. Indeed, data at the end of end of day is a reflection of humans and human society and the human society isn't perfect and isn't always fair. As we all know that.

So how do you actually make sure that the data on one hand reflects what the society actually is, but at the same time, we need to be very, very conscious when it comes to, because the data is the foundation of a lot of the decision that we're making, so how do we make sure that we don't further exacerbate the existing human society issue? So, for us, the fairness in AI involves ensuring our systems are unbiased and equitable.

00:18:41 Cathy Li
Defining fairness is challenging because of the different cultural, ethical, and societal norms. As you pointed out.

00:18:50 Cathy Li
Biases in data, tradeoffs between fairness and accuracy, and the varying industry needs. This all further complicate establishing clear fairness standards and achieving fairness require transparent algorithms, diverse data practices and industry specific guidelines. And there's also not something that we can uh use cookie cutter kind of approach because example is when you use a data form for example market research, a lot of the times you need the data to actually truly reflect the kind of you know the, the, kind of you know, age group or different market, different geography that that you are trying to research on. So those cannot be easily changed because of the data representation kind of a guideline, so we do need to take it, you know, case by case. And we already live in an era where the automated decision-making systems based on algorithms and data are increasingly common but has profound implications for individuals, companies, communities and society. So those who design and use such systems must carefully consider the potential social impact with all around equity as a core concern.

00:20:25 Cathy Li
A concept that we study very carefully at the forum is data equity. Data equity can be achieved by a proper design of data collection, uses, practices and governance in order to promote just and fair outcomes for people and communities whose human rights are directly or indirectly impacted by the systems. Data equity can be defined as the shared responsibility for fair data practices that respect and promote human rights, opportunity and dignity.

00:21:00 Cathy Li
Data equity is a foundational responsibility that requires strategic, participative, inclusive and proactive, coordinated action to create a world where database systems promote fair just and beneficial outcomes for all individuals, groups and communities.

00:21:21 Cathy Li
Is easily said than done, as we all know that's why we require you know it is required that all of the parties who are part of their practices must always take a hard look at their own practices based on the outcomes that that you wanted to achieve and all of the parameters that, you know, we collectively set. It recognizes that data practices, including collection, curation, processing, retention, analysis, stewardship, and responsible applications of the resulting insights, significantly impact human rights and the result. access to social economic, natural and cultural resources and opportunities.

00:22:08 Cathy Li
Again, it sounds very, very academic and it does vary from case to case like the example I gave earlier on market research, but it is a a definition that's been widely accepted and must be upheld in the daily practices.

00:22:30 Arnab Chakraborty
I think that's really great. And I think one of the things that you touched upon, you know, in addition to the right process and approach and the methods and the techniques that we need to use is also the kind of teams we bring together and the and the kind of questions you know those teams actually ask to make sure that we can have the right conversation and bring the diversity of our thinking to debias the solution and the way we build the solution. And that's one thing I wanted to ask you, Cathy, as you think about the topic of responsible AI and more AI in general, one of the big things that we are seeing is the is the, you know, the lack of right talent and the and the ability to create teams with the right diverse thinking that can create solutions that are meaningful to the business, to the society and creates that the equality and the equity that you talked about.

00:23:26 Arnab Chakraborty
And there is a lot of work to be done in in creating the right teams, you know creating the right culture and also building their talent DNA, you know within the organization so that you can be responsible by design, you know, across your AI journey. So, any thoughts Cathy as we try to you know wrap this up like organizations as they are going into the responsible AI journey with their broader AI agenda.

00:23:48 Arnab Chakraborty
What kind of actions they should be taking when it comes to talent and creating the right culture within the organization?

00:23:56 Cathy Li
The people question again is on top of mind of every boardroom, every company, every organization, and that's really been truly propelled by this AI evolution, to your point, Arnab. We've also discovered through working with the community, which is over 390 organizations and 470 individuals at this point with the AI Governance Alliance, is on the contrary to the myth that AI would take away jobs, what it creates is that we more and more are in dire needs of people who are actually more generalists, meaning talent, who understand different discipline and knowing how to actually connect the dots.

00:24:45 Cathy Li
Because of the complexity, even with governance, you do need to understand the product, the engineering, the design. Otherwise, you won't truly understand, you know how to actually govern and regulate those technology and vice versa, if you, even if you're in product design you still need to understand the downstream, you know, impact and implications on humans and on societies. So, where AI actually creates opportunity for, you know, bridging that gap is because of AI and particularly generative AI nowadays can help really with employees, with many of the kind of repetitive tasks and a lot of times that kind of first draft problem you know, because AI is so good at retrieving certain information, and of course it does have, you know, different hallucination and other risks as well. But if the employees understand and know how to work with the technology, it can definitely increase their productivity. I would say your two, three, five times depends on the roles and the responsibilities.

00:25:59 Cathy Li
And that potentially leaves the room for, you know, a particular employee to look at other sectors and have more time to work with other disciplines as well. So, I do think that's one thing that AI in the long run can definitely help with organizations and individuals to really think about what are the things that we could leave technology to be to work on and to be better at. And what are the unique roles of humans? How can we connect the dots? Because at the end of the day, that's our strengths. So, I might be more optimistic on that. But I do think that's been a common challenge when it comes to, you know, cross-disciplinary kind of a talent and where we can actually build a system and that can basically encourage more of those talent in the in the coming months and years as well.

00:26:55 Arnab Chakraborty
That's fantastic Cathy and great to hear the optimist voice in you and I'm on the same camp here. I think AI is going to create significant opportunities for us as human and for all of us in the society. And I think responsible AI and the whole topic that we discussed today, rethinking responsible AI, is going to be at the front and center to, you know, create that that value and the innovation for the businesses and for the societies.

00:27:21 Arnab Chakraborty
I think we talked about a number of topics and number of things. Cathy, you know right from the complexities of the regulation to how organizations should go about practically addressing that and navigating that you touched upon you know a deep topic like fairness and how to go about addressing that topic

And also, about the people agenda and how organizations need to be thinking of uplifting and reskilling their employees and their organization to take the full advantage of this powerful technology that we are all faced with. So, Cathy, before we round up, was there anything else that was top of your mind that you would like to bring forward that we probably have not touched yet?

00:28:01 Cathy Li
I think we covered many of the topics in a very comprehensive way. Oh, if anything again I'll just take the opportunity to just shout out to the work that we are collaborating on and we call for more organizations to join us on this journey because at the end of the day the more kind of a global interoperability you have and collaboration, particularly between private and public sector, the, the better, you know, kind of consistent understanding we have among different sectors the better, the outcome there is for the whole society. So yeah, that I would leave that as my closing thoughts.

00:28:43 Arnab Chakraborty
Thank you. Thank you, Cathy. It's always a pleasure to talk to you and work with you. And thank you for the collaboration and partnership. Really appreciate it.

00:28:47 Cathy Li
Likewise, thank you Arnab.