

Regulation – by whom and for what purpose?

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Why do we tolerate superordinates, subordinates?

- Why do subordinates accept low status?
 - they can't get higher status, but they want food, sex, & security.
- Why do superordinates tolerate subordinates?
 - It's too expensive to chase them away.



Social species mitigate or avoid the cost of conflict by establishing structured relationships between near-peers. (Birds: pecking order. Fish: homophilous schools.)

video: Bernard Thierry. see also Carel van Schaik

- **Intelligence** is doing the right thing at the right time (in a dynamic environment).
- **Agents** are any vector of change,
 - e.g. chemical agents.
- **Moral agents** are considered responsible for their actions **by a society**.
- **Moral patients** are considered the responsibility **of a society's** agents.
- **Artificial Intelligence** is intelligence deliberately built.

Definitions

for communicating in
this course

Arguably, **ethics is determined by and determines a society—a constantly renegotiated set of equilibria.**

Conjecture: Ethics (certainly justice!) only works between peers or near-peers.

Bryson (2018, *book in prep*)

Article Navigation

Finding the Golden Mean: Country Size and the Performance of National Bureaucracies FREE

Marlene Jugl ✉

Journal of Public Administration Research and Theory, Volume 29, Issue 1, January 2019, Pages 118–132,

<https://doi.org/10.1093/jopart/muy044>

Published: 10 August 2018

y axis =
Government
Effectiveness
measure by
World Bank.

Marlene Jugl, 2019 (Hertie School PhD 2020)

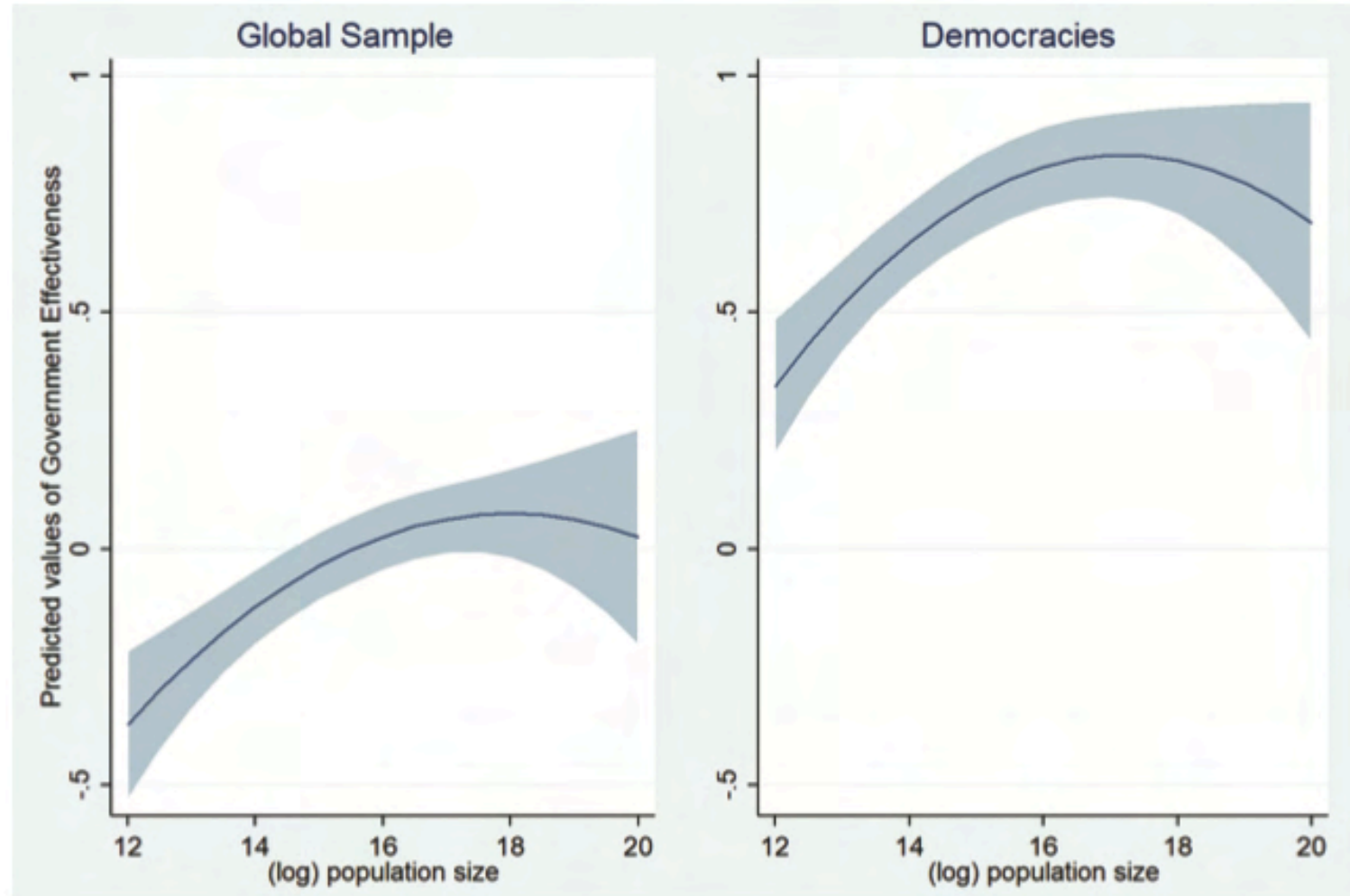


Figure 1. Predictive margins plot for REWB models. Note: Graphs based on REWB between-effects (tables 1 and 2) with 95% confidence intervals.

Monopoly of Force

- **Autonomy** is the extent to which you control what happens within your own borders.
- Never fully autonomous: share ecosystem, neighbour's border policies affect your own, good control is complicated.
- People within your borders may be influenced by those outside your borders, or may disregard your authority for other reasons.
- Technology can increase or decrease the ease of controlling control exogenous to the local government.

Monopolies in Commerce

- Someone has to be best; that's not a crime.
- But being “too big” entails special obligations to show you aren't abusing your market dominance.
 - Kind of like the “offsides” rule in some sports.
- What is too big?
- Historical concern: corporations or people **too large / powerful to be governed by a democracy.**
- Softened to “economic inefficiency”
 - Softened to “price insensitivity”

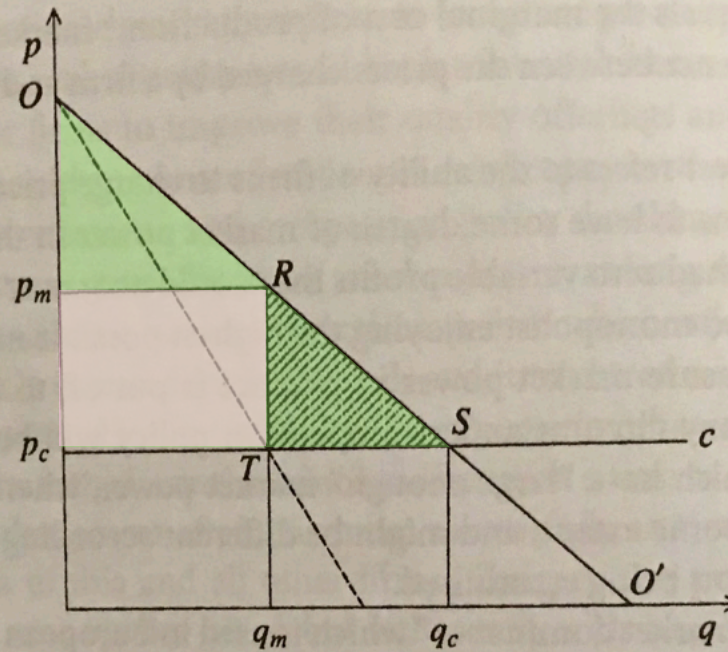


Figure 2.1. Welfare loss from monopoly.

A Simple Graphical Analysis Assume for simplicity that there exists a linear market demand, described by the line OO' in Figure 2.1, and a constant returns to scale technology, represented by the line of constant marginal costs $p_c c$. In the most competitive case, our benchmark case,⁵ the price is $p_c = c$ and the quantity sold to consumers is equal to q_c . Consider then the extreme case where market power is maximum: the industry is monopolised by a single firm, which charges the monopoly price p_m .^{6,7} The equilibrium output would be given by q_m .

Recall that welfare is defined as the sum of consumer surplus and producer surplus. Under the most competitive equilibrium, welfare is given by the triangle $Op_c S$, which also corresponds to the consumer surplus (firms do not have any surplus, since profits are equal to zero).⁸ Under *monopoly*, welfare is given by the area described by the points $Op_c TR$, which is itself the sum of producer surplus

Competition
Policy:
Theory &
Practice

Massimo
Motta

y: price

x: quantity sold

OO': demand

fair-price welfare

= consumer
surplus +

(producer surplus
= 0) for full

competition;

With market

power, overall

welfare declines,

but producers get

some surplus.

Regulating AI itself is impossible, but regulating people who use and develop it is essential

- AI cannot be safely built to respond human (and other social animal) incentives like caring systemically about status, wealth, or liberty.
- What we regulate is not the micro details of how AI works (or of human brains), but **how humans behave** when they build, train, test deploy, and monitor AI.
- Good (maintainable) **systems engineering** of software requires:
 - **Architecting the system**: design and document its components, processes for development, use, and maintenance.
 - **Secure the system**. Including **logs; provenance of software & data**

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- Good (maintainable) **systems engineering** of software requires:
 - **Architecting the system**: design and document its components, processes for development, use, and maintenance.
 - **Secure the system**. Including **logs; provenance of software & data libraries**.
 - Document (**log**) with **secure** revision control **every change to the code base** – **who** made **the change**, **when**, and **why**. For ML, **log also data libraries**, and **model parameters**.
- **Log testing** before **and** during release; and performance – **inputs and decisions** – of operational systems.



Spheres of Influence?

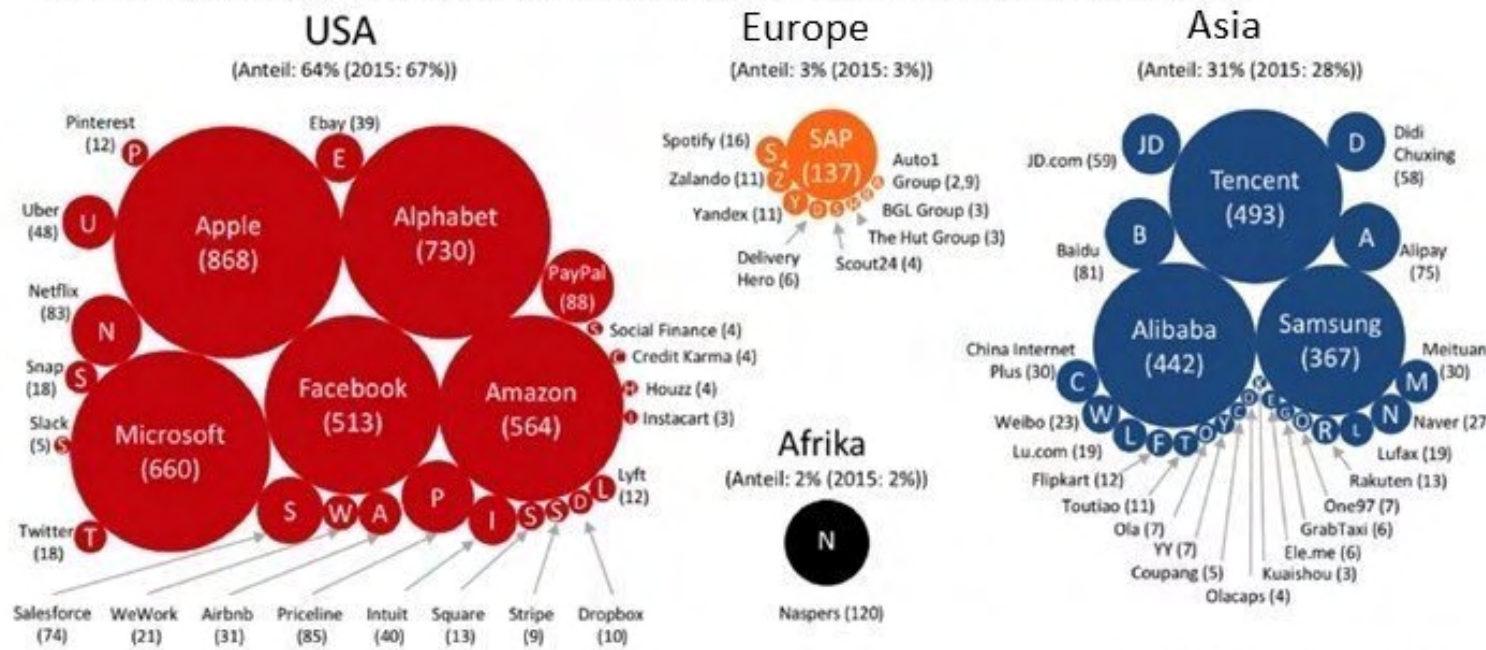
- EU's GDPR demonstrates that small countries can work together to regulate external companies, just by having an attractive, harmonized market.
- Maybe even better than their “host” countries can, since no fear of flight.

US – EU - China

Meme slide focussing on largest companies
(so less regulated states look better.)
Conflates Asia with China!

The imbalance of platform economy

The 60 most valuable global platforms in billion USD on December 31, 2017



Quelle: Netzoekonom.de / Idee: Peter Evans

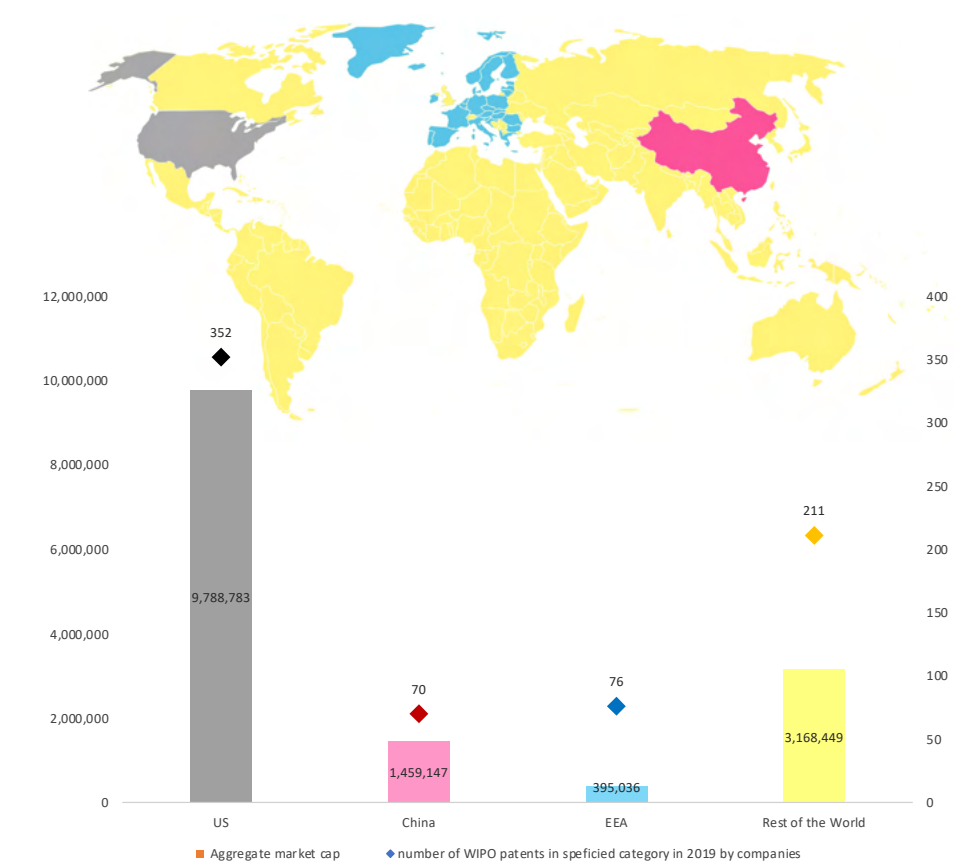
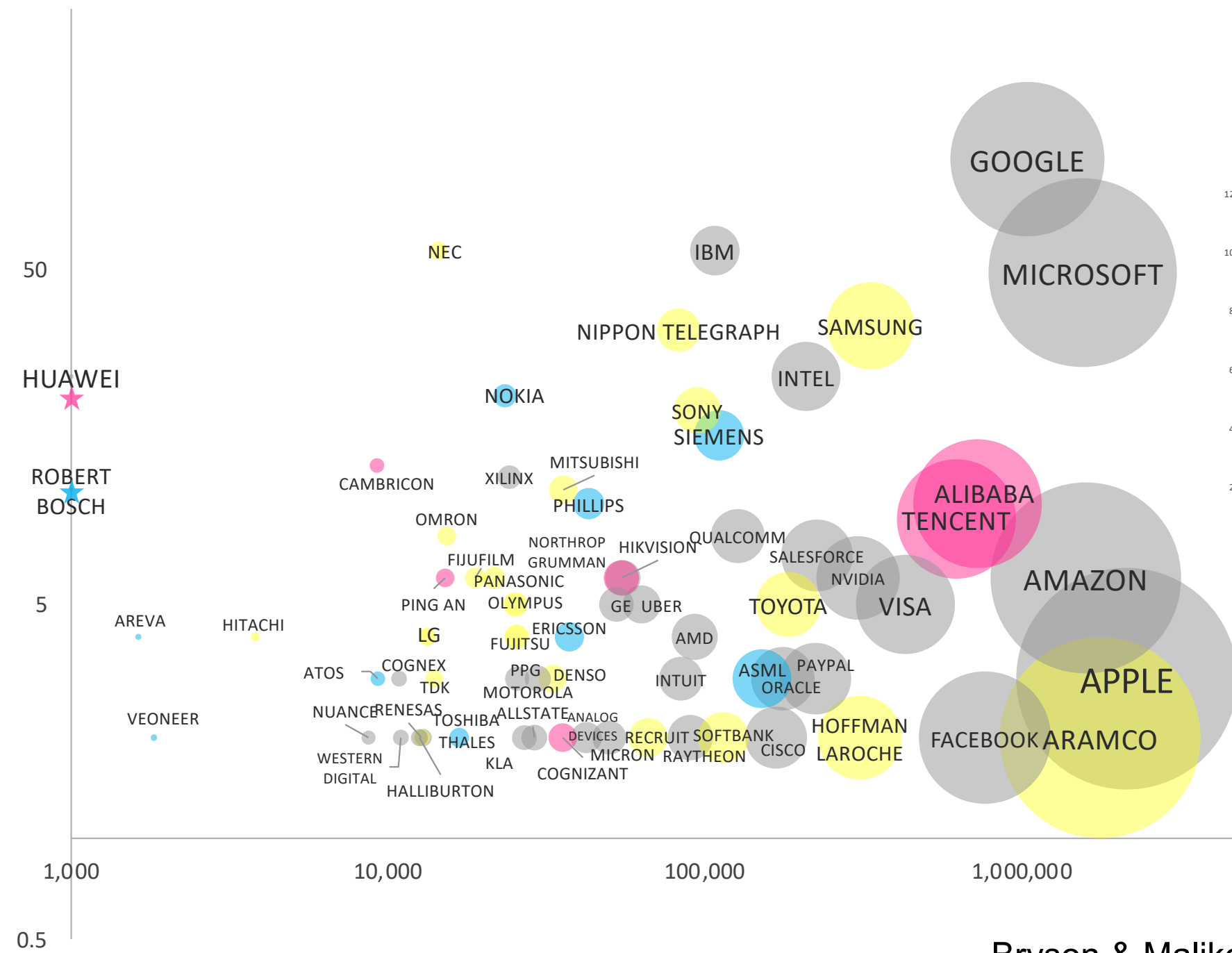
Dr. Holger Schmidt | Netzoekonom.de | Handelsblatt | TU Darmstadt | Ecodynamics.io | Plattformoeconomy.com


Source: Dr. Holger Schmidt (TU Darmstadt)

USA: libertarian market logic, limited regulation

China: state capitalism, government directs activities of companies

EU: social market economy, multi-stakeholder models. GDPR as first step towards regulating Big Tech



The background of the slide features two Earths as seen from space. The Earth on the left is in the foreground, showing a dark, starry space background with some light trails. The Earth on the right is slightly behind and to the right, showing a bright green aurora-like glow on its surface. The text is overlaid on this background.

Every Nation defends the human rights of every human within our borders. At least one country is responsible for every human's rights. Are there other responsibilities of transnationals?

thank you NASA, UN, CoE

Thanks!

↓ for help with legal personhood ↓

Tom Dale
Grant



Mihailis E.
Diamantis



→
for bubble
chart &
monopoly

→

Helena
Malikova

