Funding the Future

Article URL

The FT noted this yesterday:

Consumers should prepare for price increases this year, of as much as 20 per cent for smartphones, computers and home appliances, analysts and manufacturers have warned, as artificial intelligence demand drives up the cost of memory chips used in electronics.

They added:

Consumer electronics makers including Dell, Lenovo, Raspberry Pi and Xiaomi have warned that chip shortages were likely to add to cost pressures and force them to raise prices, with analysts forecasting increases of 5 to 20 per cent.

The paradox in this is obvious.

AI wants to be universal, and yet AI will increase the price of access to IT in general, and make it out of reach for many, just at the time when the government is making sure that access to IT is vital for integration in society.

This, then, is not some minor side issue. Assuming the prediction is correct - and it may not be, of course - the implication is that what we are facing is a new digital divide between those who have potent IT and those who have none at all.

Simultaneously, we face an inflation risk because chips are built into so many products, and the price spillover will affect vast numbers of consumer goods. This, too, will split society.

And don't doubt that this will also affect public services, where already inadequate IT will be kept in use, and the demand for austerity will grow if IT costs increase.

And all of this because a few people have decided we need AI, but no one really knows why, and almost no one has any real clue how to use it (though we have a guide here).

This is the case of financial capitalism, fuelled by financial engineering delivering technological change and physical investment for which there is no proven need, but

with massive potential consequences for environmental capital, human capital and societal capital. That means this matters.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, **here.**

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

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