Funding the Future

The greatest threat from AI is what we are allowing it ...

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The FT is sending out decidedly mixed messages about AI, tech in general, and economic security this morning.

It is very excited that Anthropic raised £81 billion in its initial share offering yesterday. That is an all-time record, and the FT clearly sees it as a sign of things to come.

Other articles, however, offer conflicting views.

First, there is an article that suggests the spate of IT outages now being witnessed across the world is the result of AI finding faults in companies' systems. These discoveries have, then, apparently given rise to attempts to remedy the defects, which have then crashed the systems they were meant to repair.

There are four obvious questions to ask. The first is whether there was a fault in the first place. The second is whether AI can be relied upon to successfully suggest the remedy. The third is to ask whether AI is really that good,after all, when the evidence is that it is capable of crashing systems rather than improving them. And the fourth, quite obviously, is whether the story is true.

My suspicion is that too much faith is being placed in AI, with insufficient scepticism being applied, and also that the story is only partially true. I find it hard to believe that so many outages happened simultaneously simply because everyone was trying to patch faults that AI had supposedly discovered. That tests credibility to its limits.

Then there is the third story to which the FT refers this morning. This relates to demands made by City regulators that companies based in the Square Mile improve their cyber defences against the risk of hostile attacks. The suggestion is that AI has identified these risks and that what are called 'bare metal' backup mechanisms that do not involve the use of the internet are required to ensure the companies are safe from such attacks.

The message seems to be that cloud-based computing has developed to such an extent that it now represents the greatest threat to its own use, and that offline systems not

regularly seen for more than 15 years have suddenly become the only secure basis on which to operate a business.

That this demand is being made at exactly the same time as AI is tipping the markets for vast amounts of money, which will themselves distort the very nature and operation of markets, is ironic. It is as if the City is being asked to defend itself from the self-destruct button that it is so feverishly funding.

Where does this leave us?

Firstly, in a state where it is very hard to believe anything that we are told. The reality is that judgement seems to be suspended so often in the operation of large, apparently critically important systems that what we might now rely on is unknown, including the reporting on these issues.

Secondly, the capacity of AI to cause destruction has to be accepted, leaving in doubt why it is thought to be such an important technology for the development of our economies.

Thirdly, as I have said very often of late, the whole nature of defence, defence spending, and what even needs to be defended, needs to be re-understood in this environment. As yet, there is no indication from governments that they comprehend this.

And fourthly, we need to question whether the pursuit of profit is now fundamentally incompatible with the creation of resilient economic systems. When the overriding objective of those developing technology is to maximise financial returns, rather than to ensure that the systems on which we all depend are safe, reliable and sustainable, the risk of systemic failure is inevitably increased. That is not a technological problem. It is a consequence of the economic priorities that we have chosen to impose upon technology.

The reality is that we are being asked to place ever greater faith in technologies whose risks we do not understand, whose consequences we cannot necessarily control, and whose development is being driven by financial speculation rather than any clearly identified public need.

That is not a credible basis on which to build our economic future.

We need technology that serves society, not a society increasingly required to serve the interests of those who own and finance technology, and until we recognise that distinction, the greatest threat from AI might not be what it can do, but what we are allowing it to do to us.