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MILLTOWN PARTNERS

OUR RELATIONSHIP WITH AI: FRIEND OR FOE
A GLOBAL STUDY

NOVEMBER 2021

FOREWORD

Artificial intelligence is a neutral technology. How we use it, and safeguard it, is up to us. Like it or not, it will touch every aspect of our lives. Its use often facilitates our most important and trivial interactions, be it with friends and our families, or our work, our health, and services. We need to understand our relationship with it and where society should demand controls on its use.

We commissioned this research because we wanted to understand what those safeguards and controls might look like, and the attitudes that underpin them.

So we asked 1,000 people around the world that actually influence and create these artificial intelligence rules to explore how they feel about it.

We found that there is widespread optimism about the potential for AI to transform society and the economy for the better. But the data shows that while the era of self-regulation is over, only a third of our respondents are confident in the ability of rule-makers to design and apply suitable rules for artificial intelligence that will have a long-term positive effect.

These responses underline the turning point we are at globally.

What we've found is that policy influencers see AI rules are inevitable. Our aim should therefore be to ensure that they are appropriate and empower people and organisations to pursue noble aims that benefit society. And we need rules to intervene where the use of the technology can cause serious harm, discrimination and unintended consequences.

For those making decisions, we hope this survey empowers you to continue your own exploration of where your focus needs to go next. This report gives us optimism that policy, law and technology can work together, but only when they have a detailed understanding of one another.

EXECUTIVE SUMMARY

This report analyses the responses to a series of questions put to 1,000 tech policy professionals across the UK, US, France, and Germany on the Milltown Partners Tech Policy Panel, covering a range of technology and AI regulation issues.

It covers overall attitudes to technology and AI, perceived benefits and risks of AI, as well as support for different regulatory approaches to AI and confidence in their likelihood of succeeding.

Key findings include that:

- While artificial intelligence is perceived to be a likely net good for society and the economy, there is a concern that it will entrench existing inequalities, benefitting bigger businesses (78% positive effect from AI) more than the young (42% positive effective) or those from minority groups (23% positive effect).
- There is strong support for the application of AI to straightforward everyday tasks in the private sector (77% support). However, challenging issues that involve judging individuals, such as facial recognition (46% trust), are deeply polarising with many still not prepared to trust the technology.
- Industry self-regulation is considered a positive step (46% consider effective), but is widely seen as inadequate, with the most popular regulatory approach being sector-by-sector (62% consider effective).
- At the same time, there is a noteworthy degree of willingness for enhanced operational requirements, even if they may prove burdensome for business, including the mandatory notification of users every time they interact with an AI system (82% support).
- Few believe that there is a meaningful trade-off between robust regulation and innovation (31% believe regulation will be so prescriptive that it harms innovation), in part because there is a scepticism about regulators' ability to design and implement effective rules (33% believe countries are likely to get AI regulation right).
- There is greater optimism among French and German influencers that the social and economic implications of wider AI use can be mitigated by government action, whereas there appears to be a degree of fatalism in the UK and US. (23% in the UK believe regulation will be effective at mitigating the displacement of workers through automation versus 55% in France.)

ABOUT THIS RESEARCH

This report is based on opinion research among over 1,000 tech policy professionals and policy experts across the United States, United Kingdom, Germany and France - four key markets in setting the tone for tech regulation. The research was conducted online using the Milltown Partners / YouGov Tech Policy Panel - a unique research panel comprising people (collectively referred to as “tech policy influencers” throughout) whose professional backgrounds and expertise make them key influencers in tech policy debates. We further screened our sample down to those with a specific interest in issues relating to artificial intelligence (n=639) for the questions relating to artificial intelligence. Full details of the research methodology, survey design and panel composition can be found in Appendix A.

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INTRODUCTION

> AI is one of the most important things humanity is working on. It is more profound than electricity or fire

SUNDAR PICHAI
CEO OF ALPHABET

AI is a ‘general purpose technology’. It has been compared with electricity: a force multiplier on every societal challenge and opportunity humanity faces. While AI has the potential to help us overcome existential threats like climate change and pandemics, it can also magnify the worst of humanity’s ingrained biases, inequalities and cruelties. To reap its potential and guard against its risks, we will need to create new norms, rules and institutions that are fit for purpose.

This is not tomorrow’s problem. The next few years will prove critical to the future of AI as the pace of innovation increases exponentially, and theory turns to application. It’s likely that in the near future AI will drive our cars, allocate public resources, screen job candidates, scan our faces and restock our fridges. However, as it becomes more widespread in the world around us, we will correspondingly see the advent of regulation, as policy makers around the world get to grips with the implications of the technology for society.

How policy makers decide to approach this question will have profound consequences for the deployment of AI, and will determine whether the full potential of the technology can be realised. This is no easy task, AI is a multifaceted and slippery concept, that depends as much on specific contexts of application as overall theory.

We are therefore at a unique inflection point in the development and deployment of AI technology, where the policy response is up for grabs. Our research shows that policy influencers across Europe and the US are convinced of the need for new rules - but there is no consensus on the approach to regulation that policymakers should take.

This lack of consensus is mirrored in the external debate. So for the European Union’s proposed AI Act and the UK’s AI Strategy have taken radically different approaches on how to tackle the technology and its uses (with the UK not currently proposing AI-specific legislation), while the US is yet to issue formal legislation beyond those targeted at use cases like facial recognition and algorithmic processes. Meanwhile, bodies like the OECD, WEF and the industry-led Partnership on AI have all launched initiatives and projects that aim to harmonise international efforts. None have yet reached ubiquity.

It is tempting for businesses to think that, at a moment of such regulatory uncertainty, it is better to wait for the contours of the debate to crystallise a little more before thinking about the potential impact for their operations and advocacy. However, this would be a mistake.

Although convinced of the need for regulation, policy influencers also strongly agree on the vast opportunity presented by AI - a positive assessment that runs counter to the conventional wisdom of growing tech scepticism. Our research therefore shows that companies and experts seeking to influence this debate have a receptive audience, and should help add concreteness to an often abstract debate.

All tech policy stakeholders therefore have a pivotal role in helping sculpt the norms and rules of tomorrow. By reflecting back the spread of their views and attitudes on a range of key topics, this research is intended as an atlas that can provide those groups with new insights as to how to approach the debate about AI regulation.

Our hope is that doing this will help inform regulation that enables rather than prevents AI from fulfilling its huge potential, while protecting human rights and democratic values and supporting societal interests.

A FORCE FOR GOOD: RECOGNITION OF AI'S TRANSFORMATIVE POTENTIAL

Optimism about the contribution of the technology sector remains strong

To what extent do you think companies in each of the following sectors have a positive or negative impact on the economy and society of your country?
(% answering somewhat or very positive)

79%
TECHNOLOGY

66%
RETAIL

61%
PHARMACEUTICALS

39%
FINANCE

To what extent will artificial intelligence have a positive or negative impact on society?

66%
MORE POSITIVE THAN NEGATIVE

8%
NEITHER POSITIVE NOR NEGATIVE

22%
MORE NEGATIVE THAN POSITIVE

4%
DON'T KNOW / PREFER NOT TO SAY

To what extent will artificial intelligence have a positive or negative impact on society?
(% saying more positive than negative)

57%
US

67%
UK

67%
FRANCE

72%
GERMANY

Artificial intelligence is...

83%
WORLD-CHANGING

17%
HYPE

58%
ETHICAL

42%
UNETHICAL

THE TECHNOLOGY SECTOR REMAINS HIGHLY POPULAR

As we enter into a new phase of the debate around AI regulation, the technology sector faces growing reputational challenges. But, our research suggests the sector is not necessarily operating from a position of weakness. Despite recent and high profile challenges, 79% of tech policy influencers believe the technology sector makes a positive contribution to the economy and society - more than any other sector inquired about. This holds up both among staff at tech companies, where some positivity is to be expected, but for the full range of our audience, including academics, civil servants, elected politicians, and NGO staffers. By contrast, the contributions of transport scored 58%, retail 66%, pharmaceuticals 61%, and finance 38%.

THIS POSITIVITY HOLDS UP FOR AI

Everyone who works in or around AI will be familiar with both the relentless dystopian headlines in some sections of the media and the more serious discussion of the potential ethical risks of the technology. Despite the absence of an equally prominent, positive narrative around AI, there is still strong residual optimism about the technology.

A majority of tech policy influencers across every country and stakeholder group surveyed, believe that AI is likely to have a positive long-term impact on both society and the economy, with 66% either moderately or strongly agreeing and only 22% disagreeing. Underneath these headline figures, there are a number of variations that appear consistently across the other findings of this research.

First, the US audience is the most negative, with the split at 57% versus 32%, while in Germany, they are at their most positive at 72% versus 18%. Secondly, elected politicians and think tanks at 76% and 65% respectively also emerge as AI optimists.

Our audience were also asked a number of quickfire word association questions, where their response time was recorded. Here the positivity continues, with 79% viewing AI as an opportunity rather than a threat and 83% as world-changing rather than hype. Those who responded negatively on those two questions also took on average 0.2 to 0.3 of a second longer, implying a slightly greater degree of hesitation than those with more instinctive positive opinions. Perhaps more concerningly for the industry, however, was the slimmer margin on ethics, with 42% of our audience opting to say that artificial intelligence was unethical instead of ethical. Considering the high belief in the technology's positive impact, this suggests that the conversation on the potential economic and social consequences of AI is resonating more strongly.

Breakdown of percentages selected, average timings, and standard deviation
Grouping 1 took the longest time for individuals to decide meaning it was explicit and controlled response. In comparison to grouping 4 that predominantly used system 1 emotion to provide an implicit response.

Artificial Intelligence is...

	GROUPING 1		GROUPING 2		GROUPING 3		GROUPING 4	
	Opportunity	Threat	World -changing	Hype	Ethical	Unethical	Exciting	Scary
%	79%	21%	83%	17%	58%	42%	75%	25%
Time	3.75	3.98	3.10	3.44	2.87	3.48	2.36	2.58
Std. Dev	1.73	1.86	1.49	1.78	1.55	2.04	1.19	1.32

The greater the specificity, the greater the enthusiasm

> AI will revolutionise the way we manage our health. Policymakers have seen its outsized potential to improve quality of life, and tackle previously unsolvable challenges like protein folding, which have significant implications on health policy. Now they should ensure that optimism in the data is matched by permission to innovate.

D-J COLLINS
CO-FOUNDER,
MILLTOWN PARTNERS

How significant an impact do you think artificial intelligence is likely to have on each of the following areas?
(% significant or moderate impact)

87%
IMPROVING SUPPLY CHAIN MANAGEMENT

83%
INCREASING OUR UNDERSTANDING OF HUMAN GENETICS

81%
ENABLING THE DEVELOPMENT OF NEW PHARMACEUTICAL PRODUCTS

77%
ALLOCATING RESOURCES LIKE FOOD AND ENERGY MORE EFFICIENTLY

73%
DELIVER SERVICES AT REDUCED COSTS

> The potential of AI to help tackle climate change is huge. The technology is already used to monitor deforestation and natural disaster risks and future applications are being discussed or tested that improve power storage and optimize the feed-in of electricity from renewable sources into the grid. This will become even more important as the number of electric vehicles grows and impacts grid stability.

THOMAS VOLAND
PARTNER, CLIFFORD CHANCE

How significant an impact do you think artificial intelligence is likely to have on each of the following areas?
(% minimal or no impact)

33%
TACKLING CLIMATE CHANGE BY REDUCING EMISSIONS

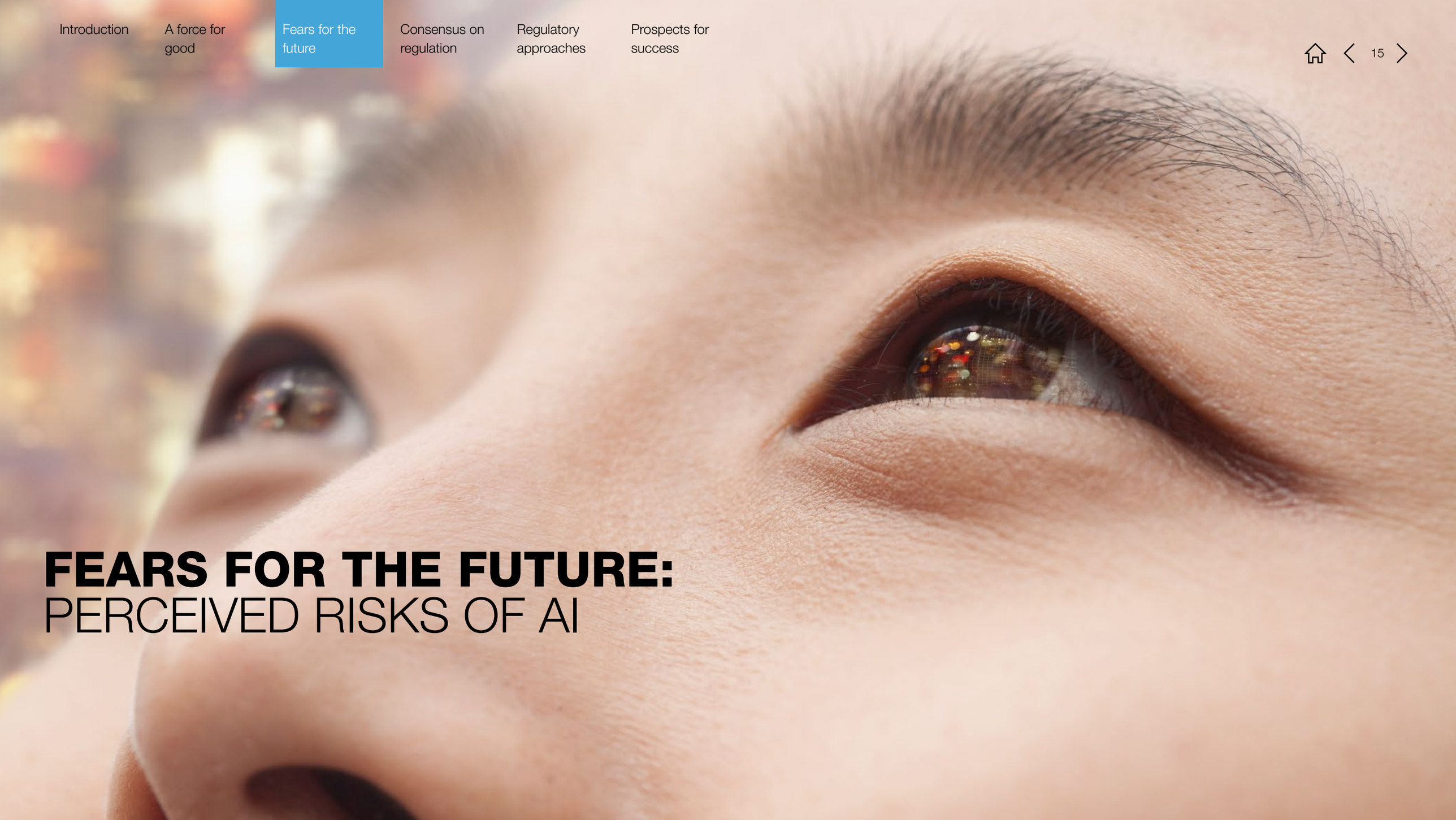
50%
STRENGTHENING DEMOCRACY BY IMPROVING TRANSPARENCY

41%
CREATING CAREER OPPORTUNITIES

Tech policy influencers believed that AI could have a highly positive transformative impact. These tend to be for discrete processes, where it is easier to imagine the specific role an AI system might play, rather than wider social challenges. For example, the development of pharmaceutical products, increasing our understanding of human genetics, or supply chain management.

The high belief in the potential of AI for these tangible uses is striking when compared with the lower levels of enthusiasm for propositions about AI's potential benefits that are harder to envision. For example, over a third of tech policy influencers say that AI would play a minimal or zero role in helping to tackle climate change by reducing emissions. However, when asked a more specific question that referenced using AI to allocate food and energy more efficiently, this number falls to 19%.

Other more abstract propositions also generate little excitement, with 41% believing that AI would have little to no impact in creating career opportunities and 51% in strengthening democracy. This suggests that the tech policy influencers do not necessarily take the positive or disruptive capabilities of AI adoption for granted and that advocates of the technology may need to make a clearer case. It could, however, also mean that the positive elements of AI in strengthening democracy is diluted by the perceived risks associated with the potential of misinformation and unfair influence.



FEARS FOR THE FUTURE: PERCEIVED RISKS OF AI

Positive opinions about the potential of AI does not correspond to trust on key issues

To what extent do you think technology companies or companies that provide technology companies handle the following issues well or badly?
(% well, % badly)

17% vs 64%
DATA PRIVACY, DATA PROTECTION, AND DATA SHARING

27% vs 45%
FREE SPEECH

8% vs 76%
MISINFORMATION/DISINFORMATION

22% vs 45%
TREATMENT OF MINORITIES AND THE DISADVANTAGED

11% vs 70%
TAX CONTRIBUTION

> Technology companies must accept that AI has implications beyond its immediate use case. They will have to navigate a range of societal issues - including data privacy, algorithmic bias and economic impact. Widespread adoption will only be possible if companies develop a unified approach to addressing these underlying public trust issues.

RACHEL BREMER
PARTNER, MILLTOWN PARTNERS

Tech policy influencers are highly critical of the record of technology companies across the range of issues we tested. Even panel members who were likely to be more predisposed to positivity about technology and AI found businesses to be performing poorly on 13 of the 15 issues on which they were polled. The negativity was particularly strong on issues that are both perceived to be industry-wide problems and that do not divide the audience politically, such as data privacy.

Whilst most of these questions are not specifically focused on AI, many of them are directly relevant to AI and will be 'AI issues' (e.g. data privacy for AI processes; or the role of content moderators supported by automated scanning tech) as use of the technology becomes more widespread. More importantly, they demonstrate the severe trust issues on social and economic questions facing many of the companies that will play a role in driving AI adoption at scale.

For example, only 17% of the audience believes that businesses handle data privacy and protection well. Similarly, only 8% believe that the sector handles misinformation well and 11% tax contribution. It's therefore likely that without action on these issues, we may see contagion of these debates with AI.

The more AI impacts humans, and the more personal the judgement it makes about us, the higher the concern

To what extent would you support or oppose businesses using AI systems for the reasons below?
(% somewhat or strong support)

77%
AUTOMATING BASIC BUSINESS PROCESSES

65%
AUTOMATING SIMPLE BUSINESS DECISIONS

58%
AUTOMATING COMPLEX BUSINESS PROCESS

46%
FILTERING CANDIDATES FOR A JOB WITH HUMAN INPUT

28%
JUDGING JOB APPLICATIONS WITHOUT HUMAN INPUT

> AI's ability to work in a transparent, non-discriminatory manner is only as good as its code. There is a danger that AI will discriminate based on its algorithm. We have already seen the impact that AI has when it discriminates in its decision-making.

MEGAN GORDON
PARTNER, CLIFFORD CHANCE

To what extent do you trust or distrust the following uses of artificial intelligence systems?
(% trust a little or a lot - combined)

16%
USING SUBLIMINAL TECHNIQUES TO INFLUENCE BEHAVIOUR

30%
MAKING AUTONOMOUS DECISIONS ABOUT ELIGIBILITY FOR SERVICES (E.G. LIFE INSURANCE)

The experts are happiest when they believe that AI systems are replacing straightforward tasks that do not require any human judgement. This is reflected in the strong support for the automation of basic tasks like calendar management and simple business decisions, such as the approval of annual leave requests. The numbers dip slightly lower in the US, reflecting a consistent pattern of scepticism across the survey, and in France, where there appears to be a heightened concern about the potential impact on jobs.

These conclusions have been reinforced by other research; for example, in January 2021, an IFOP poll of the French public found that while 77% had either a rather or very good view of AI, 42% were concerned about its effects on the long-term sustainability of their jobs.

Support is lower for AI systems governing complex business processes, such as automated customer service, before plummeting when it comes to judging job applications without human input. When asked about merely filtering candidates with human input, support recovers to 46% in favour with 37% against.

This fits into a wider concern about the use of AI systems to either judge or influence individuals, especially without their knowledge. Tech policy influencers overwhelmingly distrust the use of AI systems to influence behaviour (for example to encourage someone to spend more time using a service), and to make judgements about personal characteristics, such as age, income, and health. This may reflect the fear that a biased AI is even worse than a biased human being.

In addition to the EU's forthcoming AI Act, there is an ongoing debate as a part of the Digital Services Act concerning the use of 'manipulative' algorithms and whether companies should be required to include an option to turn off personalisation. These results suggest that legislation of this kind, if couched in the right way, could attract support.

Tech policy influencers fear unequal impacts of an AI enabled future

To what extent do you think the application of artificial intelligence will be positive or negative for each of the following types of people or organisations?
(% much more or slightly more positive than negative)

79%
BIG BUSINESS

44%
SMALLER BUSINESS

23%
MINORITY OR UNDER-REPRESENTED GROUPS

53%
GOVERNMENTS

42%
CHILDREN AND YOUNGER PEOPLE

To what extent do you trust or distrust the use of facial recognition technology
(by public authorities and law enforcement)

46%
TRUST

42%
DISTRUST

% trust by country:

36%
UK

62%
FRANCE

51%
GERMANY

32%
US

To what extent do you trust or distrust the use of facial recognition technology
(by private companies)

36%
TRUST

52%
DISTRUST

% trust by country:

21%
UK

53%
FRANCE

40%
GERMANY

24%
US

Many of the concerns held by tech policy influencers tie back to perceptions of how different groups would be affected by AI. Minority and under-represented groups - those most likely to suffer the consequences of biased systems - are those that they believe they will lose out. By contrast, a plurality believe that every other group was likely to benefit overall, including big business and governments. Perhaps hinting at a wider view among portions of our audience that AI adoption risks entrenching inequalities or power differentials, the optimism is lower for small businesses, and children and younger people.

THE CONTENTIOUS ISSUE OF FACIAL RECOGNITION SHARPLY DIVIDES EXPERTS

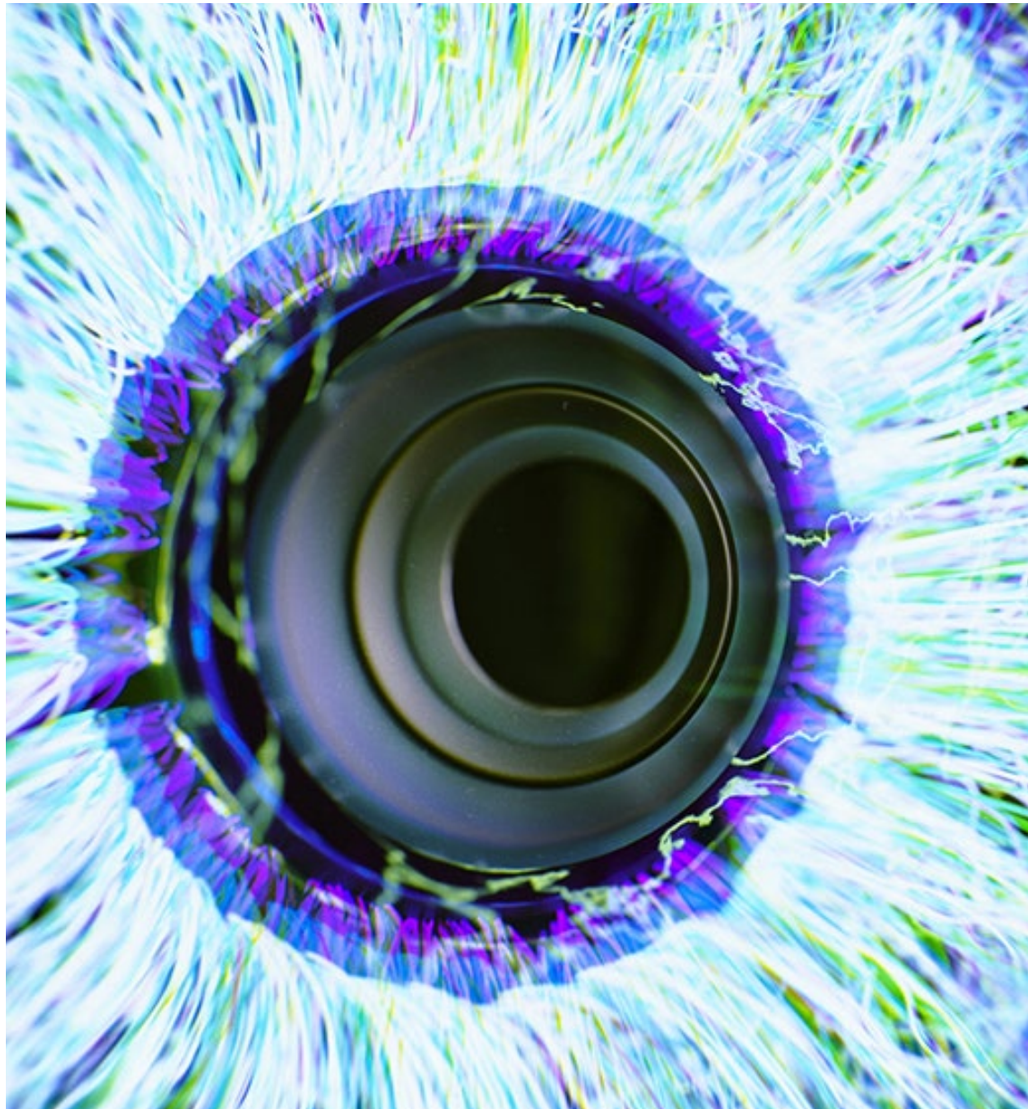
The picture, however, becomes more complicated on the subject of facial recognition - one of the most contentious applications of AI applications. The challenges around facial recognition are well-documented. For example, in December 2019, the U.S. National Institute of Standards and Technology found that the majority of commercially available facial-recognition systems exhibit bias and misidentified African-American and Asian faces 10 to 100 times more than Caucasian faces.

Members of the European Parliament have voted in favour of a resolution calling for a ban on the use of facial recognition in public places by law enforcement and on ‘predictive policing’ (which uses AI tools to profile potential criminals).

The EU’s draft AI Act contains a strong focus on remote biometric identification. The European Data Protection Supervisor and European Data Protection Board have gone further, jointly calling for stricter rules and a ban of the use of AI for automated recognition of human features in publicly accessible spaces and of systems using biometrics to categorise individuals or infer emotions. The UN has also recently called for a moratorium on the technology.

Despite the potential for algorithmic bias, opinion is surprisingly finely balanced, with 46% trusting the public sector to use facial recognition technology, versus 42% who do not trust it. There is a clear split between France and Germany on the one hand, who are supportive by margins of 34 and 20 percentage points respectively, and the UK and US, whose respondents are opposed by 15 and 27 points, respectively.

These variations speak to a theme that will be explored in greater depth later in the report, which is the connection between trust in technology and trust in regulation’s ability to temper AI’s potential negative impact on individuals.



There are also widespread concerns about artificial intelligence

> It's easy to dismiss questions about risk as far-fetched, but critical issues of safety, bias and fairness are at the forefront of policy influencers' minds. Businesses need to instigate transparent processes and explain safeguards in AI technologies. If industry relies on opaque internal ethics committees, overregulation will likely follow.

JESSICA GOLDEN HARRISON
ASSOCIATE DIRECTOR,
MILLTOWN PARTNERS

How significant an impact do you think artificial intelligence is likely to have on each of the following areas?
(% significant or moderate impact)

87%
USE IN WARFARE THROUGH AUTONOMOUS WEAPONS

87%
PRIVACY AND DATA IMPLICATIONS

86%
USE BY HOSTILE STATE OR NON-STATE ACTORS

83%
CIVIL LIBERTIES IMPLICATIONS

80%
DISPLACEMENT OF WORKERS THROUGH AUTOMATION

76%
INCREASED ECONOMIC INEQUALITY

70%
EXISTENTIAL RISK POSED BY HUMANS LOSING CONTROL

Tech policy influencers are strongly concerned about a range of potential downsides of widespread AI application circulating in popular discourse, even where they are hypothetical. There is a higher burden of proof for positive use cases, whereas experts were more convinced of the negatives through implication alone. This potentially gives policymakers significant licence to regulate if they seek to mobilise support on these highly relevant issues.

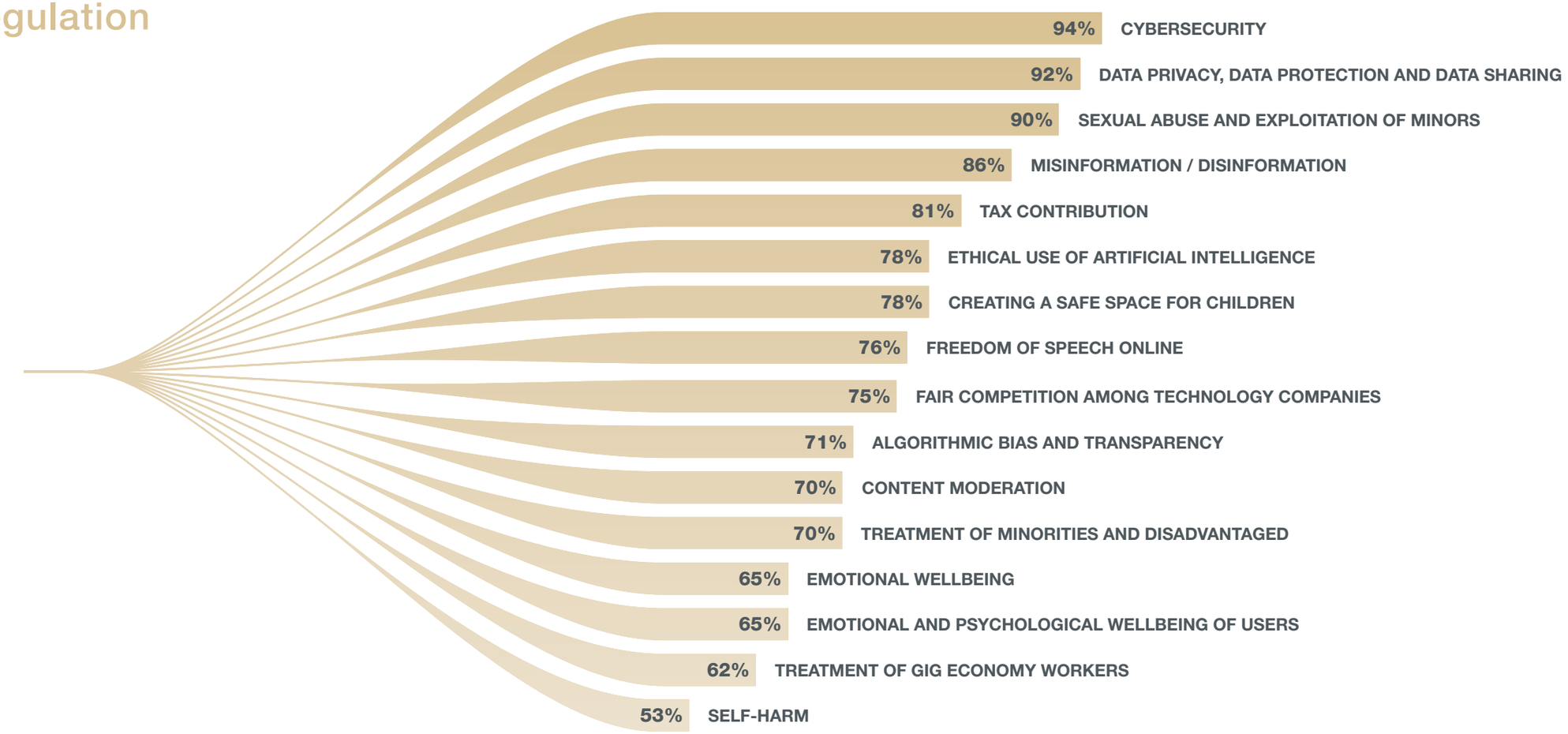
Tech policy influencers widely believe that AI is likely to enhance existing disparities, including the displacement of workers. There is also concern that access to this technology will be concentrated in a few hands, widening economic inequality. This is matched with security concerns, both the use of autonomous weapons and deployment by hostile state and non-state actors, as well as an encroachment on civil liberties.

Even with something comparatively abstract, such as the existential risk AI might pose to humanity, only 26% see this as a minimal or negligible issue, while they are far more likely to dismiss similarly vague but positive statements.

CONSENSUS ON REGULATION: A PERCEIVED NECESSITY

AI perceived to be a gap of moderate importance as an area for regulation

To what extent do you think the following issues should be priorities for new legislation or regulation?
(% a priority or a top priority)

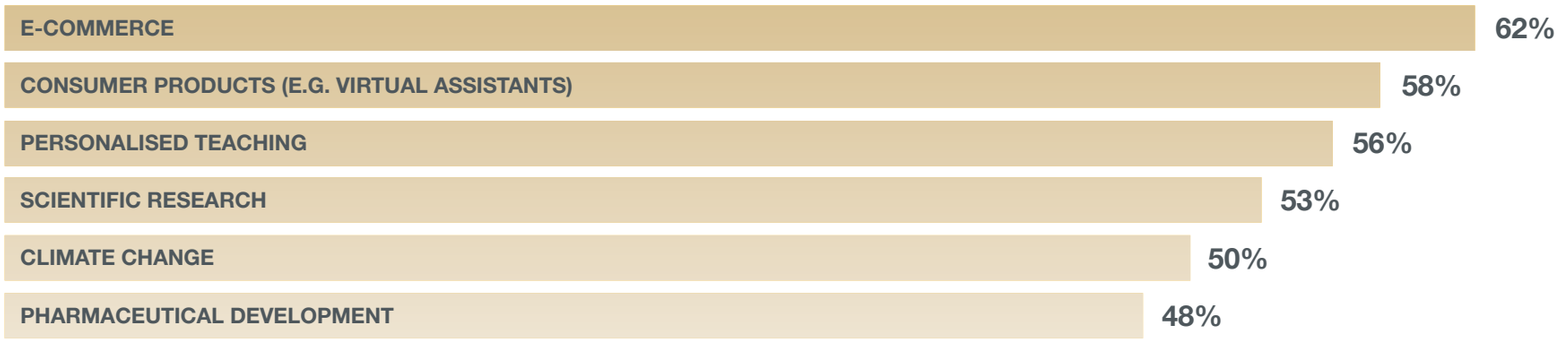


As commented on earlier, it is important to contextualise the comparative concern for AI versus other more established concerns with technology's impact on society. Tech policy influencers do not see AI regulation as the biggest priority for regulation, with it falling in the middle of the range of issues we asked about. While there is a clear perception that it is a gap, only 23% rate algorithmic bias, and 33% rate the ethical use of AI, as a top priority for regulation and 33% the ethical use of AI.

However, as discussed above, AI is an issue that attaches itself to many of the issues that attract higher support for regulation. For example, concerns around the privacy of data that feeds its processes (data privacy: 92%) and the role of bots circulating misinformation (misinformation: 86%)

Tech policy influencers with a specific AI interest have clear views on which AI use cases are priorities for regulation

To what extent do you think the application of AI should be regulated by law in the following areas?
(% minimal or moderate regulation)



To what extent do you think the application of AI should be regulated by law in the following areas?
(% strong regulation)

70%
DEFENCE AND NATIONAL SECURITY

68%
POLICING AND LAW ENFORCEMENT

61%
FINANCIAL SERVICES

59%
USE OF MEDICAL DATA

When asked about specific areas tech policy influencers tended to believe that applications required less regulation where:

AN APPLICATION IS PERCEIVED TO BE SUFFICIENTLY LOW STAKES THAT THE POTENTIAL DOWNSIDE OF UNDER-REGULATION IS LOW

Fewer than a third of experts believe that consumer products such as home voice assistants needed strong regulation, versus the 36% and 22% who think they need moderate or minimal regulation, respectively. The same was also true for e-commerce (63% support for minimal to moderate regulation) and personalised teaching (56% support).

THE POTENTIAL UPSIDE IS SO GREAT THAT THERE MIGHT BE A DANGER POSED BY OVER-REGULATION:

This applied primarily in the case of scientific and medical research. As reflected above, the audience sees this as one of the areas where AI could have both the most significant and the most positive impact. Despite these being arguably higher stakes applications, under less than 30% believe there is a need for strong regulation for of the use of AI in scientific research, with the figure rising to 42% for pharmaceutical development.

> The EU hopes to set the international standard for the regulation of AI, as it did for data protection with the GDPR. But the legislative process is still underway and we are likely to see significant changes introduced to the Commission's draft.

GAIL ORTON
HEAD OF EU PUBLIC POLICY, CLIFFORD CHANCE

IT IS UNCLEAR WHAT THE PURPOSE OF REGULATION WOULD BE:

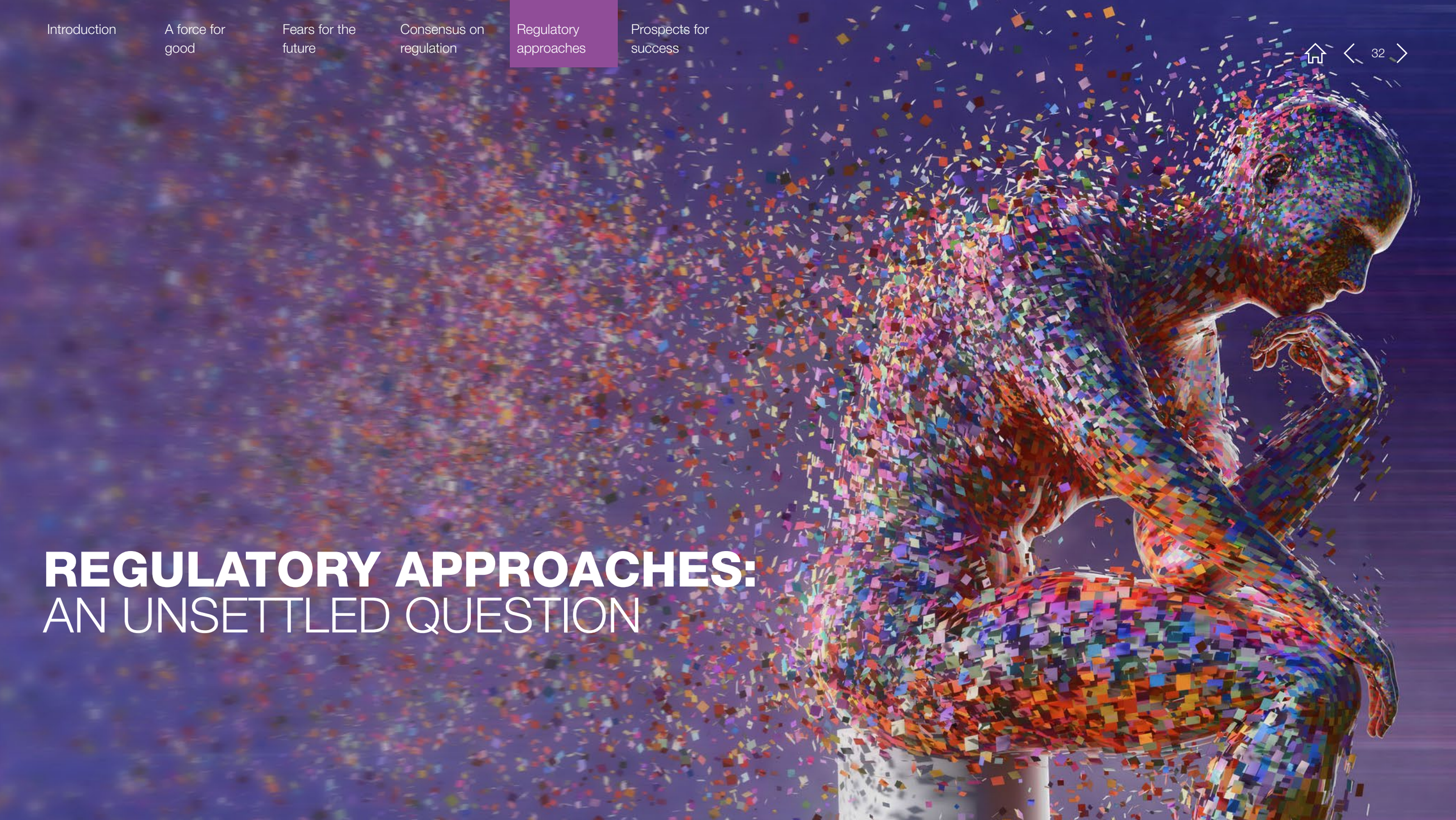
Quantum computing attracts the lowest possible support for strong regulation, with 40% supporting either minimal or no regulation. The high 'don't know' score, however, suggests that this may be partially driven by the audience struggling to imagine the use of AI in this context. Similarly, 50% support minimal to moderate regulation and 16% no regulation for climate change, which likely reflects uncertainty about what downside any regulation would be trying to mitigate, or as above mild scepticism that AI is likely to play a major role in supporting environmental objectives.

By contrast, any application that has either a more unambiguous potential to cause harm or that connects with those concerned around about algorithmic bias or unequal outcomes is met with significantly higher support for strong regulation.

Support for strong regulation is at its highest for AI applications in defence and national security at 70%, likely due to the potential for more unambiguous harm. Levels of support are also high for policing and law enforcement, a sector that bridges concerns about potential physical harm and bias at 68%. The figures dip slightly for sensitive data sets such as financial services (61%) and the use of medical data (59%), while still demonstrating that bias and privacy concerns have serious cut-through are prominent.

It is also worth noting national variations at play. German tech policy influencers are consistently the least likely to believe that strong regulation is required for any potential application, including policing (57%) and healthcare (44%).

By contrast, their French counterparts seem keener to regulate applications that had the potential to disrupt existing professional industries. This includes above-average support for strong e-commerce regulation (31% vs 26% in Germany), pharmaceutical development (52% vs 42%), scientific research (41% vs 29%), and healthcare (65% vs 59%). The greater trust we saw earlier in facial recognition systems in France and Germany did not translate into lower support for strong regulation of policing and law enforcement.



REGULATORY APPROACHES: AN UNSETTLED QUESTION

Self-regulation is not sufficient and tougher regulatory remedies command stronger support

> Across all countries, there is a clear desire to build an appropriate legal framework and regulate AI. The envisaged pathways for a regulatory response to AI differ, with a wide spectrum of available options: from a global regulatory framework such as the upcoming EU AI Act, through soft law guiding principles, as well as sector specific standards to deal with each industry's specific needs.

DESSI SAVOVA
PARTNER, CLIFFORD CHANCE

How effective do you think each of the following proposed approaches to regulating artificial intelligence at addressing concerns about the application of AI?
(% effective vs % ineffective)

46% vs 29%
GOVERNANCE MECHANISMS WITHIN COMPANIES

56% vs 22%
COMPREHENSIVE REGULATORY FRAMEWORK TO TACKLE

62% vs 16%
SECTOR-SPECIFIC REGULATION

65% vs 17%
LEGAL RIGHT TO CHALLENGE AI-BASED DECISIONS

62% vs 22%
LEGAL RIGHT TO AN EXPLANATION OF AI-BASED DECISION

To what extent would you support or oppose a change in the law to impose each of the following on companies deploying AI systems?
(% support vs % oppose)

85% vs 5%
REQUIREMENT TO REGISTER HIGH-RISK AI SYSTEMS WITH A GOVERNMENT OR EU-RUN DATABASE

61% vs 19%
MANDATORY AUDIT OF ORGANISATIONS THAT USE AI

57% vs 23%
RULES THAT GOVERN THE USE OF DATASETS THAT AI IS TRAINED ON

82% vs 6%
REQUIREMENT TO DISPLAY A NOTIFICATION WHEN A USER IS INTERACTING WITH AN AI SYSTEM

85% vs 4%
REQUIREMENT TO PROVIDE EASY-TO-UNDERSTAND INFORMATION ON HOW AND WHY AN AI SYSTEM IS BEING USED

In terms of regulation, tech policy influencers appear to view self-regulation as a positive step forward, but insufficient on its own. While a plurality believe it is likely to be somewhat effective, this is the lowest level of enthusiasm for any of the proposed regulatory approaches by a significant margin. Support is at its weakest in the UK and the US, where there is an even 38% split in the UK and a 43% versus 37% split in favour in the US. This has been borne out in other surveys, such as a September 2021 survey from the Alan Turing Institute, which found that while 77% believed that there were immediate steps most organisations in the domain could take to improve trust, increased regulation was a priority.

This clear split has not necessarily driven regulatory approaches and it appears regulators are still largely focused on drawing up common standards. For example, the UK Government's National AI Strategy remains undecided about the extent to which AI regulation will be required versus a reliance on voluntary technical standards, with a white paper to set out different approaches expected in early 2022. Similarly, the EU-US Trade and Technology Council meeting of 29 September affirmed a commitment to common standards to ensure that the technology does not "threaten our shared values", but does not spell out a more detailed approach.

BELIEF IN A COMPREHENSIVE REGULATORY FRAMEWORK FOR AI IS HIGH, BUT SECTOR-SPECIFIC REGULATION RANKS HIGHER

At a high level, our audience is likely to believe that a comprehensive regulatory framework tackling high risk applications of AI (similar to the European Commission's current proposals) would be effective, but they are marginally more convinced, however, by sector-specific rules for different AI applications. They do, however, by a margin of 85% to 5% support the introduction of a requirement to register high-risk AI systems with a government or EU-run database as proposed by the EU's AI Act.

THIS IS MATCHED BY SUPPORT FOR REGULATION THAT HAS THE POTENTIAL TO BE BURDENSOME, ESPECIALLY FOR SMALLER BUSINESSES

Moving down to the level of day-to-day business operations, a number of different rules and powers for regulators carry roughly similar levels of support, including the mandatory audit of organisations that make use of AI and rules that govern the use of datasets that AI is trained on.

Tech policy influencers are, however, most likely to judge new legal rights for the public as an effective regulatory approach. The legal right to challenge an AI-based decision or for an AI-based decision to be explained was likely to be seen as possessing more teeth.

On top of these new legal rights, they are open to imposing a range of different requirements on businesses that deploy AI systems, which would force product changes. While many businesses would be open to providing easy-to-understand information on when an AI system is being used, other popular requirements are potentially more burdensome. These include a requirement to display a notification whenever a user is interacting with an AI system and the provision of information on the capability and limitations of an AI system, including the probability of unintended outcomes.

NO ONE CLEAR PATHWAY EMERGES

The relatively undifferentiated levels of support for all of these different approaches makes clear that while tech policy influencers see AI regulation as a gap that needs to be addressed, there is not as yet no consensus on what form regulation should take. This is echoed in the actions of governments, which are pushing for regulation, but are have yet to agree on the content of such regulation. Alongside with the UK National AI Strategy described above, the US Government published a request for information in October 2021 on the public and private sector use of AI-enabled biometric technologies.

The regulatory landscape for AI will likely emerge gradually, with a mixture of AI-specific and non-AI specific binding rules, non-binding codes of practice, and sets of regulatory guidance. As more pieces are added to the puzzle, there is a risk of both geographical fragmentation and runaway regulatory hyperinflation, with multiple similar or overlapping sets of rules being generated by different bodies. Businesses will need to work hard and engage in the regulatory process as early as possible to ensure that this process delivers maximum clarity.

PROSPECTS FOR SUCCESS: EXPECTATIONS ABOUT THE IMPACT OF AI REGULATION

There are variations in how effective tech policy influencers perceive regulation of AI could mitigate the most negative effects of AI

Are new laws and regulations likely to be effective or ineffective in addressing the displacement of workers through automation?
(% effective, % ineffective)

23% vs 58%
UK

55% vs 27%
FRANCE

44% vs 32%
GERMANY

29% vs 49%
US

Are new laws and regulations likely to be effective or ineffective in addressing the privacy and data implications of artificial intelligence?
(% effective, % ineffective)

36% vs 39%
UK

54% vs 19%
FRANCE

56% vs 22%
GERMANY

41% vs 45%
US

Are new laws and regulations likely to be effective or ineffective in addressing increased economic inequality as a result of concentrated control of AI systems?
(% effective, % ineffective)

25% vs 53%
UK

45% vs 26%
FRANCE

39% vs 32%
GERMANY

30% vs 49%
US

COMPANIES NEED TO EXPLAIN THE IMPACT OF REGULATION ON THEIR BUSINESSES

While tech policy influencers express a belief that most regulatory approaches would be effective theoretically, when pushed on how effective regulation would actually be in practice tackling certain issues, optimism drops sharply among certain groups. By and large, UK and US audience members by and large feel that regulation would be ineffective, while French, German, politicians, and think tank experts are more positive. This suggests organisations deploying AI will need to give specific and clear examples of how compliance affects the way they deploy the technology to demonstrate the impact of regulation, rather than provide abstract reassurance.

Support was at its strongest where a challenge had a legislative remedy that was easier to conceptualise. On these questions, British and American tech policy influencers are at their least pessimistic, only disagreeing by single digit margins.

> Users are already seeing the impact of regulation, from cookie banners to bot labelling. Businesses are also creating public accountability mechanisms, like Facebook's Oversight Board. This builds trust, like kite marks signalling safety. Companies should treat compliance as a journey for users and stakeholders, not a tick box exercise.

LEO REES
DIRECTOR, TECHNOLOGY POLICY, MILLTOWN PARTNERS

FRENCH AND GERMAN EXPERTS ARE SIGNIFICANTLY MORE OPTIMISTIC ABOUT THE POTENTIAL OF REGULATION TO MITIGATE SOCIAL CHANGE AND BELIEVE IN THE REINFORCEMENT OF SOCIAL RIGHTS IN RESPECTIVE LAWS AND REGULATIONS

By contrast, when it comes to broader questions relating to social or economic shifts, the differences are at their most stark. For example, French tech policy influencers support the idea that regulation could mitigate the displacement of workers by AI by the same high margin by which UK professionals oppose it. We see similar figures around the issue of economic inequality; 25% and 30% in the UK and US respectively feel it would be possible to mitigate it versus 45% and 39% in France and Germany, respectively.

FAITH IN THE EFFECTIVENESS OF REGULATION AFFECTS HOW BUSINESSES OUGHT TO COMMUNICATE ABOUT THEIR COMPLIANCE

This optimism about the potential of regulation in France and Germany may explain why audience members from these countries are less concerned about facial recognition than their counterparts, as they believe that it would be operating as part of a robust and effective regulatory framework. For example, 57% of the German audience were confident in the effectiveness of a framework to preserve civil liberties, with and a more narrower plurality of French and German audience members' confidence in regulation to mitigate the effects of bias and discrimination in AI systems.

In this context, businesses would be well-served by going beyond reassuring governments that they are compliant and explaining how those frameworks changed their way of working. This will help preserve faith in that regulation in the longer- term. In the UK and US, where faith in regulation is much lower, businesses may wish to focus on more straightforward assurances that they are complying so as to receive a hearing in the first place.

There is little deep-seated fear of over-regulation, but lingering questions about the capacity of government to get it right

AI regulation will be ineffective because companies will find ways to bypass the rules

67% AGREE

14% DISAGREE

16% NEITHER AGREE NOR DISAGREE

3% DON'T KNOW / PREFER NOT TO SAY

Countries are likely to get AI regulation right because the overwhelming benefits of the technology create an incentive for them to do so

33% AGREE

47% DISAGREE

17% NEITHER AGREE NOR DISAGREE

3% DON'T KNOW / PREFER NOT TO SAY

AI regulation is likely to be so prescriptive that it harms innovation

31% AGREE

44% DISAGREE

20% NEITHER AGREE NOR DISAGREE

4% DON'T KNOW / PREFER NOT TO SAY

Over the next ten years, countries that don't over-regulate AI will grow faster than those that do

44% AGREE

26% DISAGREE

22% NEITHER AGREE NOR DISAGREE

8% DON'T KNOW / PREFER NOT TO SAY

THERE IS SCEPTICISM THAT REGULATION WILL HARM INNOVATION, BUT A SIGNIFICANT MINORITY HAVE NOT MADE UP THEIR MIND

The findings suggest AI advocates have yet to succeed in convincing policy stakeholders about the potential trade-offs between regulation and innovation. Less than a third of tech policy influencers believe that AI regulation is likely to be so prescriptive that it harms innovation, despite supporting an array of potentially burdensome regulatory approaches. Nevertheless, a fifth remain neutral on this question and a plurality of experts accepted that if AI was over-regulated, it would be bad for economic growth. Both of these points suggest it is not too late to change minds.

> Although AI regulations are mandatory they need to be balanced in order to provide the business the freedom to innovate – which is per se easier in a less regulated environment.

CLAUDIA MILBRADT
PARTNER, CLIFFORD CHANCE

Half of elected politicians, despite being the strongest believers in the effectiveness of regulation, are the most likely to believe overregulation is likely.

BUSINESS AND COMPLIANCE

When prompted on how regulation would work in the real world, 67% of experts believe that AI regulation will be ineffective because companies will find ways to bypass the rules. This held true across every industry group and country, with some slight variations.

Despite the widespread pessimism on this point, there is some variation with German and French influencers slightly less likely to agree with the statement (60% and 62% respectively) and the UK and US more likely (73% and 76% respectively). Meanwhile, 69% of elected politicians, despite their earlier confidence in regulation, agreed with the statement as did 72% of people working in a government department.

This cynicism should be a concern for businesses of all sizes in this space. Not only does it increase the probability of loose, overly-expansive regulation that disproportionately hurts smaller businesses, it has the potential to weaken wider public trust, especially in the larger businesses most associated with the sector.

GOVERNMENT AND POOR REGULATION

As well as a suspicion that business may not comply with theoretically effective regulatory approaches, there seems to be a degree of scepticism that they would be able to devise and implement them in the right way.

A third believe that governments are likely to get AI regulation right, despite the overwhelming incentives to do so, with only 9% strongly agreeing that they would. In terms of industries, only a plurality of elected politicians and political party staffers at 43% and 37% believed this to be the case. In the UK and US, support for the statement is as low as 20%, peaking while its strongest support is at 56% in France.

Appealing to geopolitical considerations will change some, but by no means all, hearts and minds

To what extent do you trust or distrust the use of facial recognition technology
(by public authorities and law enforcement)

72%
AGREE

44%
DISAGREE

15%
NEITHER AGREE NOR DISAGREE

5%
DON'T KNOW / PREFER NOT TO SAY

Gaining competitive advantage in artificial intelligence is more important for countries than addressing its negative impacts.
(% agree, % disagree)

29% vs 57%
UK

52% vs 28%
FRANCE

52% vs 27%
GERMANY

21% vs 57%
US

The prominence of media commentary about a competition for 'AI supremacy' or an 'AI arms race' alarms some of our audience, but in the UK and US, is unlikely to be an effective argument for a more light-touch regulatory regime.

While there is a consensus across the board that AI capabilities would provide countries with a key source of strategic advance over the next 10 years, there is less agreement around how governments should handle this.

Tech policy influencers in the UK and US are the most opposed to the idea of prioritising competitive advantage over mitigating AI's worst impacts, while there is significantly greater receptiveness in both France and Germany. This may reflect the greater French and German optimism, both in terms of the social and economic impact of technology, and the effectiveness of regulation.

As a result, French and German tech policy influencers might feel that there is less of a real trade-off between mitigation and competition, something which the UK and US audience are less likely to accept. Among the professions, variation was limited among the respondents, with elected politicians seemingly most willing to compromise on regulation for the sake of geopolitics, and perhaps unsurprisingly, NGO staffers and campaigners the least.

CONCLUSIONS AND RECOMMENDATIONS

The cross-cutting, pervasive concerns about AI and high support for all forms of regulation may worry businesses and AI proponents who fear that it will come at the expense of innovation. But it is clear that when people can picture the benefits, there is positivity about the potential of AI. Beyond the headline figures, we believe a more mixed picture has emerged.

- **Support for AI regulation is high, but there are other issues that remain front of mind for tech policy influencers.** AI is likely to attach itself to the low trust that tech companies have on more established concerns – for example: data privacy and content moderation etc.
- **At the same time, the exact shape of it is up for grabs**, with our audience open to a range of regulation: self-regulation, a comprehensive framework and/or sector-by-sector legislation. Based on existing regulatory proposals, it is likely we will see a combination of all of these approaches to varying degrees.
- **Policy experts understand that regulation is not a silver bullet and while they may** be sceptical about claims from business that it is likely to harm innovation, they do not believe that governments are automatically likely to get it right.
- **Businesses and other organisations deploying AI therefore have a key role to** (a) help inform a good regulatory model, and (b) help build trust in the effectiveness of regulation and governance.

CONCLUSIONS AND RECOMMENDATIONS

Based on these conclusions, we believe there are four questions that organisations deploying AI should consider:

1. STRATEGY

Does your business or organisation have a clear point of view on the optimal regulatory approach for achieving your strategy and product goals?

Businesses would be wise to forecast whether their commercial and product pipeline, procurement, and partnership strategy is resilient to possible changes in policy and regulation over time. Undertaking 'backcasting' exercises can help anticipate how different policy pathways could interact with their eventual objectives. This process can also help determine what the most important policy goals are for engaging with policy audiences, to shift the likelihood of a permissive outcome.

For example, a company trying to develop fully autonomous vehicles may want to consider all the points of product development that upcoming AI regulation can reasonably expect to impact: the AI vision system driving the car, the mandated level of driver involvement required, the degree of information other road users need to know a vehicle is autonomous and the personal and non-personal data that vehicles will need to confer to traffic authorities.

From undertaking this exercise, the same company might determine that stringent requirements on mandatory driver involvement would be a helpful and sensible requirement while a proof of concept of full autonomy is developed. In the interim, this would help ensure they are not over-exposed to, or exposing people to, liability while systems are still developing.

2. GOVERNANCE

Have you built on internal governance with clear policy asks requirements to ensure you are not 'captured' unhelpfully by regulation?

The results show that while our tech policy influencers that we surveyed believe that organisations should have strong internal processes, they are not a substitute for regulation. When done well, regulation can help by setting the guardrails and the right expectations - a consistent majority of tech company staff are in favour of greater regulatory clarity.

However, the data suggests that across government stakeholders, there is a strong impulse to regulate, particularly via the introduction of potentially burdensome new legal rights (such as requirements to notify users when they are interacting with AI systems or to provide users with understandable information on how and why an AI system is used).

If businesses wait for regulation to take shape before they begin to act, there is a danger that they will find themselves trying to mitigate the damage of over regulation and secure carve-outs, rather than helping to design a productive framework. This is particularly the case with 'comprehensive framework' regulation like the EU's AI Act which is focused on policing how businesses develop 'trustworthy' AI rather than necessarily how they apply it.

By educating policymakers using concrete examples, businesses can illustrate that overly expansive rules are not free of trade-offs free, and ensure that any eventual regulation is useful and measurable. Organisations wanting a tighter focus of rules or a more precise steer on compliance should consider acting sooner rather than later to advocate for a sensible use case or sector-based approach to regulation that reflects this. Use cases will be aided by correspondingly clear and granular policy asks requirements from regulators.

CONCLUSIONS AND RECOMMENDATIONS

3. STAKEHOLDER PRIORITIES

Does your business or organisation sufficiently understand stakeholder concerns and priorities about the application of AI in your sector/geography and how best to meet their expectations?

This survey indicates universal support for both AI and regulation of it across all categories. As we have seen, however, there is considerable variation in attitudes across both different stakeholder groups and geographies, as well as extensive nuances beyond the headline figures.

Especially on regulatory questions, it is clear that what might work when discussing algorithmic bias with a politician in Germany will not work when engaging with an NGO in the US, or an otherwise AI optimistic politician in France might be more concerned about introducing AI into the workplace than someone more naturally sceptical in the UK. It is all the more important to get this right, as what starts in one jurisdiction can spread; for example, the tiered approach in the EU's AI Act is based on the German Data Ethics Commission's 'risk pyramid'.

Understanding these sensitivities and building them into the heart of policy advocacy strategy from the beginning will be critical to engaging constructively with policy makers.

To aid this, businesses should invest in monitoring the publication of guidance to understand emerging themes among regulators beyond their immediate sector, as different agencies learn from each other and many fundamental technical points carry over. For example, what may seem like narrowly focused guidance from International Organization of Securities Commissions (IOSCO) on the regulation of AI use by market intermediaries and asset managers may end up resulting in inspiring regulators in other parts of the financial sector.

4. ADVOCATE

Is your business or organisation clear on how to explain and make the case to policy makers for how you are applying AI and the positive impact it will have?

There is clear excitement about the potential of AI both to support business transformation and make a wider positive social contribution. While there are fears about some individual use cases, people are ready and willing for more widespread adoption.

Businesses, however, need to be precise in these conversations. While our findings show that individual use cases for AI can command widespread support, audiences are less convinced that the application of AI will necessarily have a net positive net social impact. This means that broad-brush strokes language around 'disruption' or 'reimagining' is unlikely to resonate, while clear but precise descriptions about how a system will make a difference may.

Crucially, businesses need to play their part in driving a more mature conversation about AI and resist the temptation to fuel the hype machine. While AI adoption at scale has the power to transform fields, most individual use cases are more mundane. Millions of people will interact with AI systems every day that make their lives easier, often while remaining unaware that they are doing so. Normalising AI as part of the digital plumbing and attaching it to understandable use cases, rather than presenting it a magic fix-all will be an important part of building widespread public acceptance.

APPENDIX A
METHODOLOGY

The cut-through of concerns about AI and high support for all forms of regulation may worry businesses and AI proponents who fear that it will come at the expense of innovation. But it is clear that when people can picture the prize, there is positivity about the potential of AI. Beyond the headline figures, we believe a more mixed picture has emerged.

Fieldwork dates:
24 June - 9 July 2021

Sample size:
1,023

Locations:
US, UK, France, Germany

Sample:
The research was based on 1,023 interviews with respondents from the Milltown Partners/ YouGov Tech Policy Panel, an elite panel of tech policy professionals and policy experts across the United States, United Kingdom, Germany, France - key countries in setting the tone for tech regulation.

Interviewees include professionals and experts with an interest in technology policy from government departments, elected politics, political parties, NGOs, campaign groups, think tanks, academic institutions, advisory firms and technology companies. Questions on wider issues around the technology sector were directed to the entire sample, while only respondents who expressed a specific subject matter interest were asked about AI to ensure we received informed answers.

Breakdown of respondents:
Interviewees include professionals and experts with an interest in technology policy from government departments, elected politics, political parties, NGOs, campaign groups, think tanks, academic institutions, advisory firms and technology companies. Questions on wider issues around the technology sector were directed to the entire sample, while only respondents who expressed a specific subject matter interest (639 respondents) were asked about AI to ensure we received informed answers.

Survey design:
This survey was conducted by YouGov over the summer of 2021 on behalf of Milltown Partners and Clifford Chance's behalf by YouGov.

The main issues covered included:
- Attitudes to different sectors of the economy
- Impact of technology companies on the economy and society
- How well technology companies handle different challenging policy and ethics issues
- Priorities for regulation and legislation and which approaches are likely to be most successful
- The potential impact of artificial intelligence and where it will change lives for better or worse, across sectors of the economy and demographic groups
- Support or opposition to different uses of AI in business, politics, and society
- The potential trade-offs associated with regulation and the impact of geopolitical issues
- Word association questions, where respondents were given a choice of two words

General notes on survey:
This report represents and analyses the views of the respondents to the survey (as summarised in "Breakdown of respondents" above.
The analysis should be read in light of the conclusions and analysis drawn reflecting the input of these demographics and respondents.

The research and analysis in this report is intended to provide insights into the views and opinions of tech policy experts, and should be read in light of the limitations of such a survey of this nature.

ACKNOWLEDGMENTS

About Clifford Chance

Clifford Chance is one of the world's pre-eminent law firms with significant depth and resources across five continents. Clifford Chance's Tech Group is a global, cross-practice team of over 600 tech-savvy lawyers with extensive industry expertise. We help clients from all sectors explore the opportunities and risks that technology brings.

About Milltown Partners

Milltown Partners is a global advisory firm working with influential organizations and individuals on the communications and public policy challenges that define their reputations. We partner with leaders in their fields: ground-breaking technology companies and their founders; global businesses and their CEOs; and prominent institutions and their leaders.

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If you would like further information or to discuss the issues outlined in this report with one of Milltown or Clifford Chance's tech experts, **please email: GLB.AIFriendorFoe@cliffordchance.com**.

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