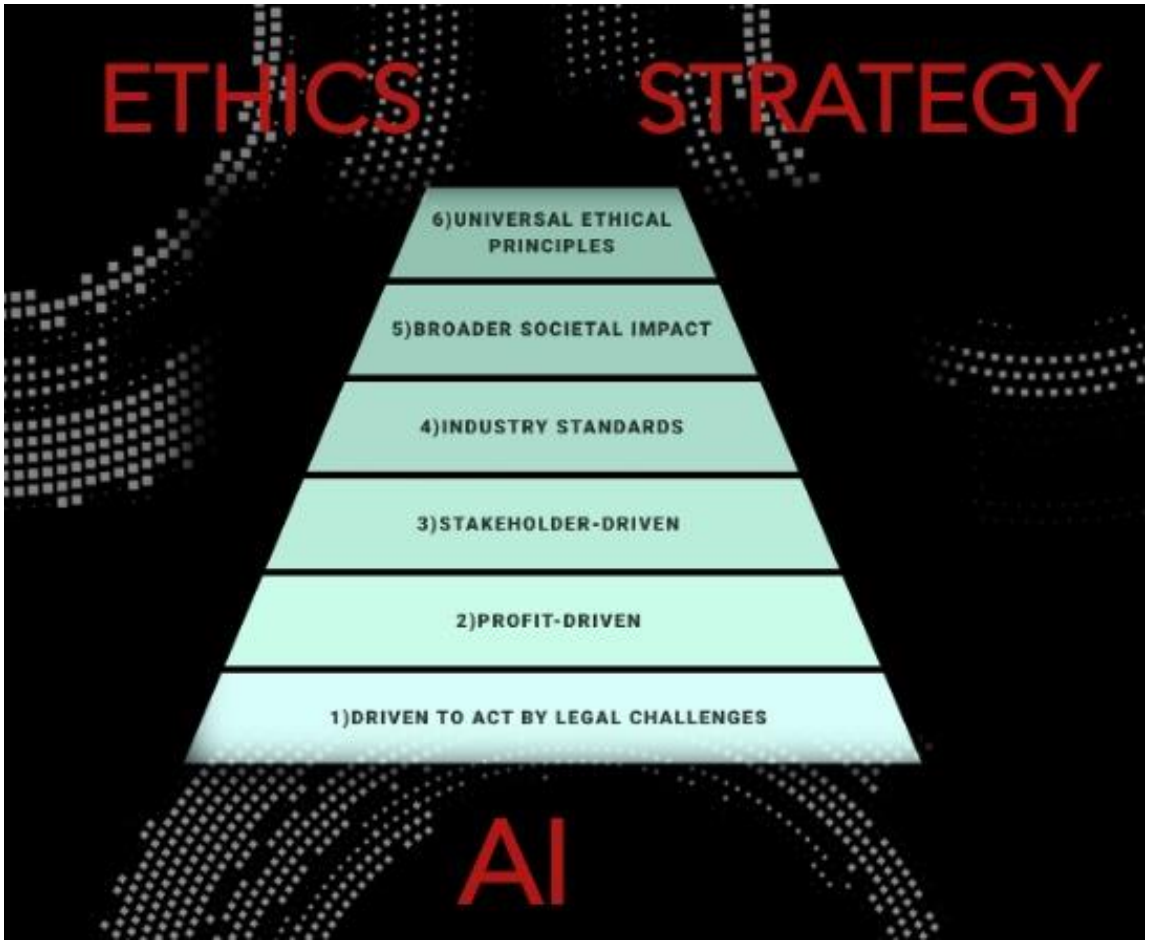
CHARTING ETHICAL AI

Google and J.P. Morgan - they're inescapable, aren't they? From our phones to our bank accounts, they're everywhere, all at once. Now, let's ask: *Are they doing right by us? Are they playing it fair? And how can we truly ascertain this?*



In the realm of tech titans, Google undeniably shines bright. "Google" has seamlessly woven itself into our daily vernacular, as a 'catch-all' for everything online. Dominating an impressive 90% of global searches (8.5 billion every day), and with Android at the heart of billions of smartphones, Google has been pivotal in molding today's digital landscape. Google's influence extends beyond searches and Youtube; its forays into cloud technology and AI initiatives consistently reshape our digital landscape, setting the benchmark for the industry. And the momentum, far from waning, is propelled further by ambitious AI ventures such as Gemini and tensor processing units (TPUs). As Google charts new digital frontiers, there's an increasing need to delve into the ethical facets of its expansive influence and reach.

Similarly, in the world of global finance, JP Morgan (JPM) is the brightest shining star. Beyond its reputation as a financial giant, JPM represents the heights of merging traditional banking with futuristic innovations. Capturing a significant chunk of the financial market, and with a presence in every major economy, the bank has played an instrumental role in shaping the financial world of the 21st century. JPM's influence doesn't stop at banking; its foray into artificial intelligence (AI) showcases a vision that marries finance with the vanguard of technological advancement - ranked #1 by Evident AI. With projects leveraging AI to optimize trading, risk management, and customer interactions, the bank is setting a new benchmark for the financial industry. As JPM masterfully blends finance with AI, it raises questions on the ethical implications of such global domination combined with financial innovations.

1. The AI Community

AI is like a community garden. We all need to play nice to keep it blooming. Now, Google's the big player in this garden. And with that comes a great responsibility. Are they nurturing AI or just picking the best flowers for themselves? They've done some good, opening up AI algorithms for everyone. But sometimes, Google's sheer size makes waves.

Similarly, AI in the finance world is akin to an orchestra. To make harmonious music, each player must be in tune. JPM emerges as the conductor of this grand symphony. With such leadership comes immense responsibility. Are they orchestrating AI for collective progress or solely fine-tuning their own opus? They've showcased commendable efforts, integrating AI seamlessly into their operations in ways often unseen by their clientele. However, given JPM's vast influence, even their subtlest movements can create ripples across the financial tapestry.

2. Keeping Up with AI

AI keeps advancing, but we must decide where it's going. Google's always at the forefront of the latest tech. From game-changing search features to smart assistants, they're always pushing the envelope. Is Google thinking about the bigger picture? It's not just about cool gadgets and features; it's about doing right by the people using them.

Likewise, JP Morgan consistently positions itself on the cutting edge of financial technology. From groundbreaking trading algorithms to intuitive banking platforms, they never cease to innovate. But is JPM contemplating the broader implications? It isn't solely about state-of-the-art tools and services; it's about ensuring the trust and well-being of their global clientele.

3. How They See Us

Immanuel Kant, often hailed as the 'father of modern ethics,' wrote, *"Treat people as ends, not as means to an end."* In simpler words? Value people. Are we valued by Google and JP Morgan?

When we use Google Maps to find that cozy cafe or Gmail to send business proposals, are we just dollar signs in Google's eyes? Or do they genuinely care about making our lives better? Sure, they keep upgrading their tools to help us, but with all the talk about data privacy, it's worth pondering.

In a comparable way, when we utilize JPM's financial tools to manage our investments or their online platforms to conduct our banking transactions, do we appear merely as profit opportunities in the bank's ledger? Or is there a genuine intent to enhance our financial well-being? Certainly, they keep innovating their services for our benefit, but in a world concerned about financial security and ethical banking, such reflections are merited.

The preceding evaluation of business ethics for Google and J.P. Morgan is preliminary and lacks comprehensiveness or structure. Let me take a stab at developing a diagnostic framework to evaluate business ethics, based on first principles and forward-looking paradigms.

Generally Accepted Ethical Principles

The universally accepted ethical principles that are most relevant in the age of AI may be summarized as follows.

1. **Justice**: In AI ethics, justice usually deals with fairness, equity, and ensuring that the benefits and burdens of AI are distributed across all sections of society. It means that AI technologies should be designed and implemented in a way that they don't discriminate against any group, and don't reinforce or perpetuate existing inequalities.
2. **Nonmaleficence**: Translated from Latin, this means "do no harm." In AI, this principle underlines the importance of ensuring that technologies do not harm users, whether it's physical harm, psychological distress, or societal disruptions. It's essential to consider both the immediate and long-term implications of AI on individuals and groups.
3. **Autonomy**: In the context of AI, autonomy often refers to the capacity of a system to operate and make decisions without human intervention. However, from an ethical standpoint, it can also concern respecting the autonomy of human users. This means that AI should be designed to respect users' rights to make their own decisions, rather than being manipulated or coerced by the system.
4. **Beneficence**: This principle means to do good or confer benefits. In the context of AI, it's about ensuring that these systems actively promote well-being and positive outcomes for individuals and society. When designing or implementing AI systems, the primary goal should be to bring about positive change, improve processes, or solve significant problems.

5. **Fidelity**: In AI, fidelity can refer to the reliability and predictability of an AI system. Users should be able to trust that a system will act as promised or expected. Moreover, there is an implied bond or trust between AI developers and users; developers have a responsibility to ensure their creations are honest, transparent, and not deceptive.

Now, let's adapt an actionable paradigm that can incorporate these five ethical principles. Lawrence Kohlberg's theory of moral development provides a framework for understanding how individuals reason about moral dilemmas. This theory is based on three levels of moral development, each with two stages, and as individuals advance through these stages, they acquire enhanced decision-making skills, enabling them to navigate more intricate moral challenges.

On a personal plane, ethics mirrors our morals and character. In the business world, it translates to the values that shape an organization's ethos and culture. Both spheres revolve around the core understanding of right and wrong, responsibility, and virtues. These principles not only dictate our actions but also influence our decisions about the rightful path. Hence, we can integrate the five generally accepted ethical principles into this decision framework to evaluate postures, policies, actions, and decisions of companies.

Using this "**Ethical AI Mirror**" (see Figure) we can address key questions at each stage of ethical evolution and reflect upon the meanings and implications.

1. **BASIC**: At this level, ethical reasoning is based on external rewards and punishments.
    - **Stage 1: Obedience and Punishment Orientation**
        - Does the company design its AI systems to respect user autonomy only to avoid legal repercussions?
        - Is the AI's nonmaleficence principle incorporated only to avoid societal backlash or legal punishment?
    - **Stage 2: Instrumental Orientation**
        - Does the company see the beneficence of its AI as merely a tool to boost its public image?
        - Is fidelity in AI systems promoted only when it offers tangible benefits, like increased sales?

2. **ADVANCED**: Here, ethical reasoning adheres to societal norms and the desire for social approval.
    - **Stage 3: Good Interpersonal Relationships**
        - Is fidelity towards users and stakeholders maintained to foster trust and a positive reputation?
        - Does the company's AI design prioritize beneficence to strengthen interpersonal relationships with its user base?
    - **Stage 4: Maintaining the Social Order**
        - Is the AI's approach to justice oriented toward reflecting and upholding societal norms?
        - Does the company's AI design aim to ensure social order by avoiding harm and respecting user autonomy?

3. **ASPIRATIONAL**: Ethical reasoning here transcends societal norms, driven by abstract principles.

- **Stage 5: Social Contract and Individual Rights**
    - Does the company's AI emphasize justice in the form of fairness to all users, respecting individual rights over profitability?
    - Is beneficence in AI design oriented toward a larger societal well-being, beyond the company's direct benefits?
- **Stage 6: Driven by Universal Ethical Principles**
    - Does the AI system prioritize user autonomy as a universal principle, even if it conflicts with data collection or business interests?
    - Are there instances where the company prioritized nonmaleficence in AI, even if it meant potential short-term losses or backlash?

The companies that operate primarily at the basic level in the **Ethical AI Mirror**, reflect a superficial or self-interested ethical stance. In contrast, those operating at the aspirational level radiate a more profound, principled commitment to ethical behavior. It's important to gather evidence from a company's statements, actions, policies, leadership statements, and history to accurately evaluate its stance through an ethical microscope.

ETHICAL AI: GOOGLE vs. JP MORGAN

Let's illustrate the framework by comparing Google versus JP Morgan on AI ethics.

1. Driven to Act by Legal Challenges:

- **Google**: Google has faced numerous legal challenges globally, especially in the European Union, regarding antitrust issues, data privacy, and more. While not all are directly related to AI, the company's commitment to adhere to (and sometimes challenge) regional and international laws gives a sense of their position at this stage. With AI-specific regulations, Google has mostly shown compliance. The key question would be whether they act just to avoid punishment or to genuinely follow its code of ethics. They score high on autonomy and nonmaleficence.

- **JP Morgan**: As a premier global bank, JPM's operates in a highly regulated financial environment. Their approach to both AI and broader operations, especially in navigating legal challenges, reveals their core ethical stance. Historically, like many banks, JP Morgan has faced and typically complied with regulatory demands, prioritizing customer data protection and risk management, such as using AI for fraud detection, to ensure client safety and avoid significant penalties.

2. Profit-driven:

- **Google**: While Google is a for-profit company, its AI Principles suggest a commitment beyond just profit. Google might promote the benefits of its AI (like superior search algorithms or photo categorization) to enhance its public image and product attractiveness. With services like Google Assistant, the company stresses its reliability to gain user trust and boost usage. However, the line between profit and ethics can blur, especially when AI applications (like ad targeting) overlap with the company's main revenue streams.

- **JP Morgan**: Striking a balance between profit and ethics is evident when assessing if AI-backed financial advice prioritizes the clients' needs over JPM's profitability. The bank champions the advantages of its AI tools, emphasizing precision in investment advice and streamlined transactions. In the financial sector, fostering trust is essential, and JPM's dedication to secure and trustworthy AI systems underscores this commitment.

3. <u>Stakeholder-driven:</u>

- **Google**: Google has a significant stake in fostering trust, especially given its dominant role in many users' digital lives. The company often touts the societal benefits of its products, such as Google Search or Google Maps, emphasizing their role in simplifying users' lives. They reiterate that their AI will be used to benefit users and avoid creating or reinforcing biases, showing a commitment to their primary stakeholders. Their open-sourcing of many AI tools and models also demonstrates transparency to the wider AI and developer community.

- **JP Morgan**: JPMs integration of AI aims to optimize financial operations, mitigate risks, and boost profitability. Yet, they face the task of reconciling profit motives with the ethical implications of AI in areas such as client financial advice and algorithmic trading. Given their storied history, the bank's reputation heavily relies on client relationships. Therefore, AI tools are likely leveraged to enrich the customer experience, ensuring insights align with client benefits.

4. <u>Industry Standards:</u>

- **Google**: Google doesn't just adhere to industry standards – in many ways, they help define them. Their research papers, open-source projects, and active participation in AI and tech forums have helped shape discussions around AI ethics. Google has made efforts to avoid bias in its algorithms, although it's an ongoing challenge. With tools like Digital Wellbeing, Google aims to give users control over their device usage. Fairness in trading and ensuring that AI doesn't create or exacerbate financial disparities is crucial. Tools that allow clients to have better control over their financial portfolios or decisions can be seen in this context.

- **JP Morgan**: Though not chiefly an AI entity, JPM is anticipated to adhere to top-tier AI practices, particularly in finance. Their participation in AI ethics forums or industry consortiums is telling. It's vital for them to promote fairness in trading and prevent AI from intensifying financial inequalities. Tools empowering clients with enhanced financial oversight align with this ethical stance.

5. **Broader Societal Impact:**

- **Google**: Their AI Principles express a commitment to upholding high standards of safety, ensuring AI benefits all of humanity, and avoiding uses of AI that could harm humanity or unduly concentrate power. This shows Google's cognizance of AI's broader societal implications. Google has faced scrutiny regarding antitrust concerns and has emphasized its commitment to fair competition. Google's commitment to green energy and sustainability can be seen as a nod to broader societal well-being.

- **JP Morgan**: The bank's deployment of AI in lending decisions bears substantial societal implications. It's vital that their algorithms neither discriminate against specific groups nor amplify existing societal biases. Given JPM's market clout, the influence of their AI on the global financial ecosystem is paramount. This necessitates vigilance to prevent unintended biases, particularly in loan approvals. Their philanthropic efforts and investments underscore their commitment to societal well-being.

6. **Universal Ethical Principles:**

- **Google**: The company's AI principles, outlined in 2018, reject the development and use of AI in surveillance violating internationally accepted norms. One of the most telling examples is Google's decision to withdraw from Project Maven, a U.S. Department of Defense initiative, after internal and external protests on the ethical use of their AI for drone footage analysis. This decision suggests an ethical stance over business opportunities.

- **JP Morgan**: While there aren't public statements or internal guidelines on their ethical AI use, particularly in sensitive areas like client data management and investment decisions, the need for transparency is evident. Clarity in AI-driven decisions, especially those impacting client finances, is paramount. This ethos should ensure that AI strategies don't inadvertently trigger broader economic disruptions.

Ethical Impact:

When we examine Google and JP Morgan from a philosophical perspective, both appear to operate at the apex of the **Ethical AI Mirror**. Google's endorsement of the Seven AI Principles is commendable. Beyond principles, Google has acted by open-sourcing AI technologies, sharing research on fairness and biases in AI, investing in AI safety research, and engaging with external bodies and the public for feedback on their AI practices. They've also partnered with external organizations to ensure the ethical deployment of AI.

Meanwhile, JP Morgan underscores its leadership in global finance with substantial investments in AI research and training, coupled with partnerships with external organizations to assess their AI systems. The ethical challenges of synthetic data become even more pronounced for JPM. Although JPM ranks highly in AI strategy leadership, its transparency is still a concern, as reflected by the Evident AI scores (71 vs 46). If it

employs synthetic data derived from biased original financial datasets, the bank could inadvertently make biased lending, investment, or risk assessment decisions. Relying on synthetic data might also give the bank a false sense of security concerning client data privacy, leading them to underestimate potential vulnerabilities.

EPILOGUE

Big Tech; Big Bank; Big Corporations: Big Challenges. Navigating the digital age ethically is a tall order. But Google and JP Morgan with all their might, seems to be trying. However, in this rapidly evolving digital kaleidoscope, the patterns keep shifting for businesses and societies.

Ethics form the foundational pillar of societies, mirroring our collective convictions and experiences. The shifting values of societies over the ages stand as proof of our shared decision-making. While certain ethical tenets find resonance globally, cutting across borders and cultures, others are intimately entwined with specific cultural, individual, or situational contexts, rendering them less adaptable across diverse settings.

This complexity creates an ethical conundrum: *Can we envision a world where machines surpass humans in ethical understanding, shaping our moral code and our future?* To prepare for such an eventuality, we must fortify our ethical foundation, lest we forfeit our agency.

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