EDITORIAL

Pentagon's pledge on rules-based AI usage a notable development

THE Pentagon's announcement this week about the adoption of ethical principles in the use of artificial intelligence (AI) by the US military marks a watershed moment in the move to bring in a rules-based governance system on the use of this powerful tool.

The principles were recommended by the US Defence Innovation Board, a group of private sector technology executives chaired by former Google CEO Eric Schmidt.

AI combined with machine learning and big data analytics is possibly the most disruptive technology breakthrough of our time. Used properly it can provide unprecedented advantages. As an example, in its fight to control the Covid-19 virus, China is using AI programs to trawl through street CCTV footage and calculating the body temperatures of pedestrians. This is combined with AI-driven facial recognition technology to identify anyone who is flagged to have fever – and the system works even when the person is wearing a mask. Elsewhere, AI programs are being used to map the spread of the virus and for medical research in a bid to find a cure.

The sheer computing and analysis power of these programs also open them to misuse. While China is now using AI-driven facial recognition technology to identify potential victims of Covid-19 virus who are out of quarantine, it has also been used to nab criminals and illegal immigrants not only in China but elsewhere as well. These same programs, with little tweaks, can be used for typecasting certain types of individuals based on ethnicity or for ferreting out unauthorised information. Cybercriminals are already using AI to develop new and powerful hacking tools and it is also being used by nation-states for espionage and cyberwarfare.

It is useful to remember that AI by itself is neither good nor evil. The problem lies in how it is used. AI bias can creep in via the people who write the programs and through those who use these programs. This is why the Pentagon pledge is so important. Its first principles call for the "exercise of appropriate level of judgment and care" when using AI systems. Apart from this, all AI capabilities "will have explicit, well defined uses". There is also an undertaking to "take deliberate steps to minimise unintended bias in AI capabilities". The other major pledge is to build in the ability to detect and avoid unintended consequences and deactivate deployed systems that demonstrate unintended behaviour.

The Pentagon's move could be a result of growing unease within private sector tech companies about the military use of AI. For instance, in 2018 Google declined to renew a Pentagon contract called Project Maven, which used machine learning to distinguish people and objects in drone videos. A host of technology industry leaders, including Elon Musk, Jeff Bezos and Google's CEO Sundar Pichai (who famously said AI is "more profound… than electricity or fire") have called for rules governing the use of AI. Indeed, as the use of AI skyrockets and becomes pervasive across society, the greater and more dire will be the need for universal governance rules on its usage. However, framing the rules would be the easy step. The hard nut to crack would be to get an international and enforceable consensus on this.

While the Pentagon's announcement leaves room for some "ifs" and "buts", it is, nevertheless, an important statement, coming from the most powerful military force in the world and backed by the US government.

Candidate Bernie Sanders' big win in Nevada is very good news for him and his candidacy as he prepares for the races in California, Texas, New York and Illinois. His campaign started out driven by the enthusiasm of his young supporters, but he has since expanded his base.
PHOTO: BLOOMBERG

The Bernie juggernaut can be stopped

The one to do it could be ex-New York City mayor Michael Bloomberg. He has the funds to stay the course, is likely to do well on Super Tuesday and can rally party centrists behind him

By Leon Hadar

HERE we go. The conventional wisdom got it wrong again, and perhaps the time has come to ditch it for the views of your friendly cab driver, who can provide you with more accurate political predictions, including about who the next US president will be.

So until last week's Nevada Democratic presidential caucuses, pundits (including yours truly) assumed that Candidate Bernie Sanders' electoral support was confined mostly to lefty or "progressive" young Democrats, many of them millennials. With such a narrow base – one without the backing of Hispanics, African-Americans, Asian-Americans and older voters, there was no way he is going to win the Democratic presidential nomination.

But in the aftermath of last Saturday's Nevada caucuses and a stunning win by the 78-year-old self-proclaimed socialist (who marshalled 25 percent of the vote – and this, after ending on top in the Iowa caucuses and the New Hampshire primary) – things are beginning to look quite different for Bernie.

Hence, going by exit polls, the senator has not only won, as expected, a clear majority of young voters and those who describe themselves as "liberal" in Nevada; he has also captured close to half the Hispanic Democratic vote in the state, around 30 per cent of voters who describe themselves as "moderate", and about half the voters between the ages of 25 and 50.

And although former vice-president Joe Biden is the most popular among African-American voters, Senator Sanders succeeded in winning 27 per cent of their vote. He also did better than expected among suburban white voters.

While the voters in Iowa and New Hampshire are mostly white, Nevada's population aligns more with the United States as a whole: Thirty per cent of them are Hispanic, 10 per cent African-Americans and 9 per cent Asian-Americans and Pacific Islanders.

To put it in simple terms: The large and delegate-rich states where the next Democratic primaries will take place look more like Nevada than like Iowa. That means that Candidate Sanders' big win in Nevada is very good news for him and his candidacy as he prepares for the races in California, Texas, New York and Illinois.

So the evolving consensus now is that his campaign looks like a mighty political insurgency driven by the enthusiasm of his young supporters. And as he seems to be expanding his electoral base and making it more diverse, adding Hispanics and moderate voters into his coalition, Bernie, some say, may be unstoppable, on his way to winning the presidential nomination in the Democratic convention in Milwaukee in July.

Indeed, his main rivals in the Democratic primaries seem to face formidable obstacles as they try to challenge his position as the leading candidate in the race.

Former vice-president Biden, who once upon a time was considered the leader of the Democratic pack, continues to be dependent on the support of African-American voters and Democrats over the age of 65. He is hoping that Africa-American voters – who constitute a majority in the upcoming primary in South Carolina on Saturday – will make him a winner and provide the momentum he needs to revive his campaign and raise more money to support it. Otherwise his campaign would probably be over.

South Bend Mayor Pete Buttigieg, who performed well in Iowa and New Hampshire and finished third in Nevada, is seen now as the candidate with the potential to bring together voters who belong to the party's centrist wing.

But he still has not been able to build a solid electoral base among African-American and Hispanic voters, and as an openly gay candidate and the youngest in the race, many Democrats have major concerns about his chances of winning the general election in November.

Minnesota Senator Amy Klobuchar may have excited many Democrats, but she and the other woman in the race, Massachusetts Senator Elizabeth Warren, both of whom have performed well in the presidential debates, are running out of money and may be forced to end their campaign after the Super Tuesday primaries on March 3.

Then there are the two billionaires seeking the presidency. One is Tom Steyer, whose ads have dominated South Carolina's media and who is betting on taking the first place in the state's primary on Saturday; the other is Michael Bloomberg, the former New York City mayor and multibillionaire, who could probably change the entire direction of the race and emerge as the leader of the "Stop Bernie" forces.

While Mr Bloomberg did not do very well during the last presidential debate in Nevada, where he was run over by Senator Warren (who recalled the accusations of sexual abuse against the former mayor), he does have one major advantage over all the other candidates: He can throw an unlimited amount of financial resources into his campaign and remain in the race until the convention in Milwaukee.

He was not on the ballot in Iowa, New Hampshire and Nevada, and will not take part in the South Carolina primary on Saturday. But he is planning to finally jump into the race on Super Tuesday on March 3, when Alabama, Arkansas, California, Colorado, Maine, Massachusetts, Minnesota, North Carolina, Oklahoma, Tennessee, Texas, Utah, Vermont and Virginia will all hold their presidential primaries, and 1,617 total delegates stand to be awarded to the candidates.

If former vice-president Biden, Senators Klobuchar and Warren and Mr Steyer will have dropped from the race by then, and Mayor Buttigieg's campaign may be faltering, Mr Bloomberg will be in a position to win some of the primaries on Super Tuesday. The polls place him as leader among Democrats in Virginia, a southern purple state.

Mr Bloomberg's strategy is based on the expectations that he will, indeed, do well on Super Tuesday, and that in addition to the delegates he would win then, he could also get behind him all those who have pledged to support the other centrist candidates.

After all, at this stage of the game, Senator Sanders could only claim the support of a plurality of delegates to the convention. But in practical terms, the majority of delegates are not behind him, and if they could coalesce into a solid bloc under Mr Bloomberg, Senator Sanders will not be nominated in July.

Playing into the hands of his political adversaries is Candidate Sanders himself. The majority of Democratic voters do not relish the prospect of nominating a socialist, left-leaning firebrand as their presidential candidate.

But it has been a political identity that the Vermont Senator has kept playing up during his campaign, most recently when he praised, in an interview with CBS News, communist dictator Fidel Castro who had turned Cuba into a large prison camp.

■ **THE BOTTOM LINE**

Wall Street wakes up to coronavirus

By Ruchir Sharma

THE big surprise was not that global markets fell sharply this week on fears of the coronavirus, but that it took so long for them to wake up to the threat. Before Monday, Wall Street was full of instant experts in epidemiology predicting – on the basis of widely circulated charts showing the number of new cases had peaked in China – that "it's over". This sanguine state was symptomatic of a bull market that is now 11 years old, the longest in history, and also one of the calmest. In the past decade, stock prices approached a full 20 per cent "correction" only twice, and suffered even minor dips much less frequently than in most previous bull markets. Even insignificant market tremors were met with new offerings of easy money from the Federal Reserve, so every dip was greeted as reason to buy, and no global crisis seriously rattled the market.

Until last week, Wall Street was unusually blasé about the coronavirus too, and had reacted with far less alarm than it did during any of the eight global contagions since World War II. Not only had market players been lulled into complacency by easy money and the long calm of the bull market, but they also began this year in a state of unbridled optimism. The buzzword on Wall Street was "melt-up", suggesting stocks could rise as fast in 2020 as they normally fall in a meltdown.

After all, the global economy was in an upswing when the coronavirus first appeared in December. The tariff war between the United States and China appeared to be ebbing. The threat to Wall Street implied by the growing popularity of a socialist candidate for the White House was simply dismissed by investors who, surveys show, give President Donald Trump an 80 to 90 per cent chance of re-election.

By noon Monday that all changed. Amid reports that the coronavirus has now spread well beyond China and that Beijing may lower its guard and ease its quarantines, the American market suffered its worst day in two years and ended down by nearly 5 per cent from its peak last week. That drop is now right in line with the average at this stage of the eight postwar contagions, which go back to the Asian flu of 1957. Markets are worried – but as the doctors would say, within normal limits. By Tuesday morning, a semblance of stability was returning to global markets.

What happens next depends in part on the impact to the global economy. The latest estimates suggest that the hit from the coronavirus could make the first three months of 2020 the slowest quarter for global growth since the crisis year of 2008.

If the past is any guide, however, the growth scare should be relatively brief. Recent global contagions going back to the Sars virus in 2003 have seen a sharp slowdown lasting about a quarter, followed by a sharp recovery over the next quarter. That's why the consensus on Wall Street is that there will be no global recession, and within six months the whole scare will be over.

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Still, the quarantine of 16 cities in China has had a visible impact on economic activity, reducing traffic on roads, railways and at airports, emptying out theatres and other public spaces. Analysts sceptical of official Chinese data have started to track alternative sources, from satellite images of road congestion in urban areas to the density of smog over Hong Kong and traffic on Chinese search engines. All those unofficial trackers also point to a hard hit.

Beyond China, however, the economic impact will vary from nation to nation, depending on how much stimulus a country can afford. Already Beijing has been cutting interest rates and encouraging banks to increase lending. Investors are confident the authorities will do whatever it takes to keep the economy moving. That is one reason, despite the fact that China is ground zero of the epidemic, markets have held up better there than in other developing countries.

The same is true of the US, where investors still seem to trust the Federal Reserve to keep growth alive, come what may. The American stock market has also fallen less than the global average. The hardest-hit countries will be those with less wherewithal or inclination to spend more money. High in the at-risk category: Japan and Italy. Japan is now battling to prevent the coronavirus from disrupting the summer Olympic Games in Tokyo – even if it means locking down an economy that is already technically in recession.

Whatever course the coronavirus takes, it is already accelerating de-globalisation, which began when countries turned inward after the global financial crisis of 2008 and cross-border flows of people, goods and money slowed. Fear of contagion is likely to deepen the conviction of populist politicians who want to erect barriers to block imports, immigrants and cultural influences at the border anyway.

The trend toward localisation – companies looking to produce more locally, and consumers looking to buy from local brands – was getting underway and is likely to pick up speed. Perhaps most clearly, the roster of manufacturers who are moving factories out of China, in search of lower wages and a more friendly business environment, is likely to grow after this episode.

The longer the virus lasts and the farther it spreads, the bigger these impacts will be. Hopefully, the consensus view among investors is right and this epidemic peaks and passes quickly. But one thing coronavirus has already shown is that Wall Street's medical opinions always need to be read with caution.
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