



# New Challenges to International Cooperation: Automation and Climate Change

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MacMillan Center

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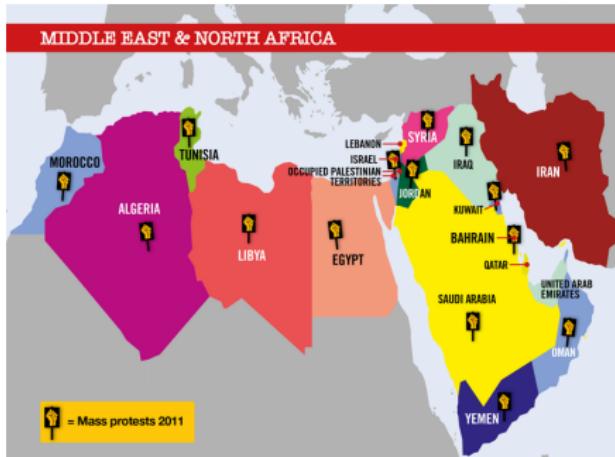
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# Digitalization and autocracy



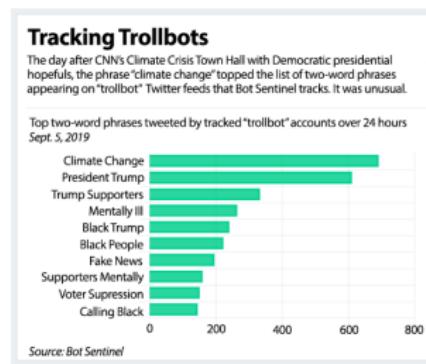
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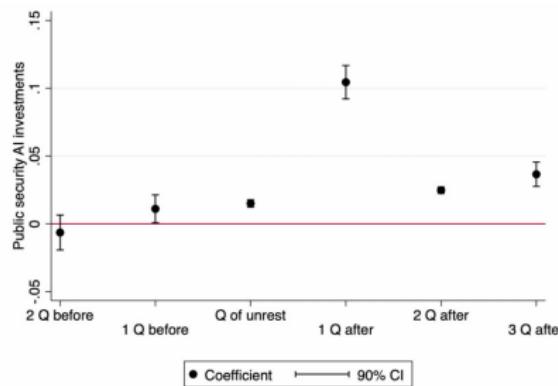
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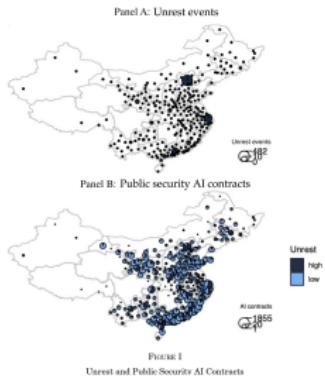


FIGURE I  
Unrest and Public Security AI Contracts

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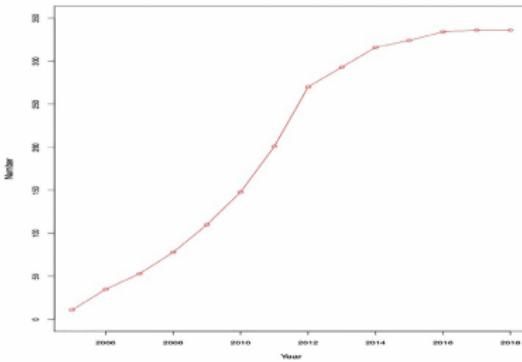
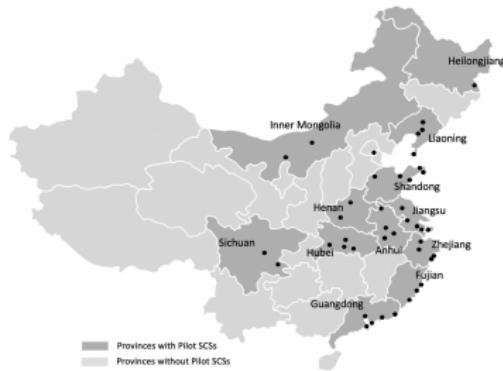


FIGURE 1 Prefectural-level units in China using community grid management

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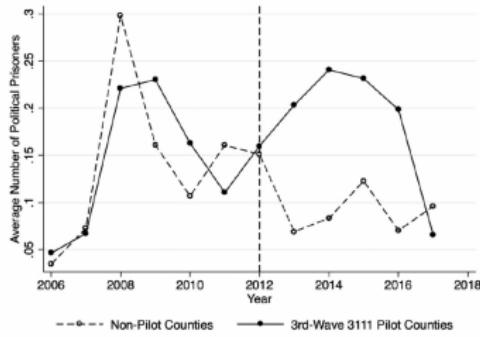
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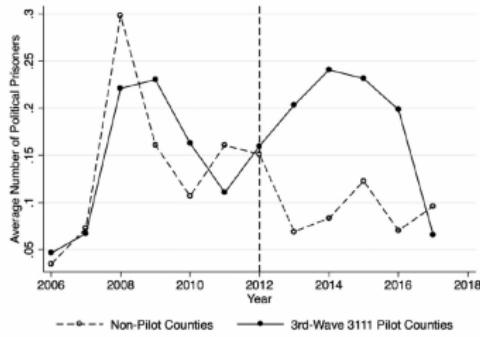
FIGURE 2 Trends in Political Prisoners,  
Third-Wave 3111 Initiative



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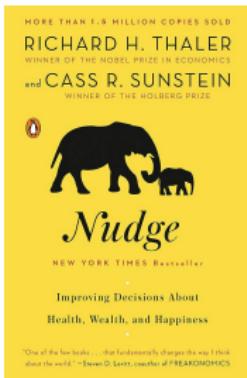
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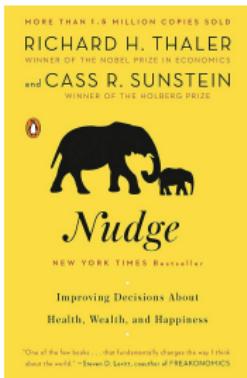
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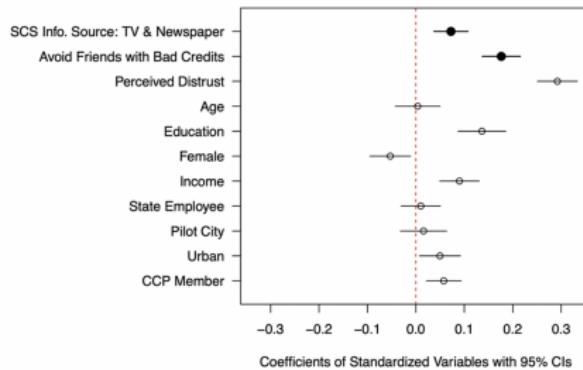
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  - ▶ Skynet; Peaceful City; Bright Transparency; Golden Shield.

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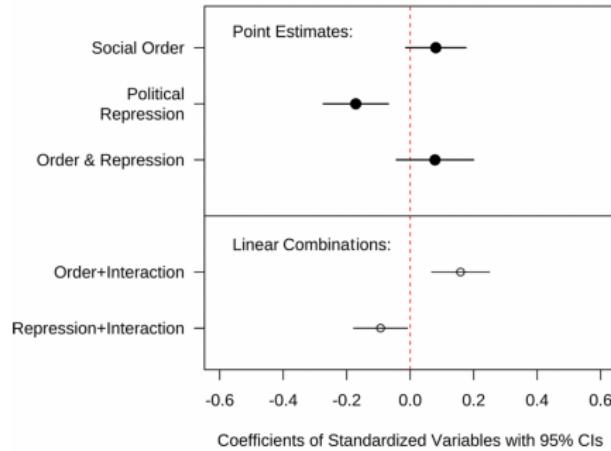
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# AI changes the face of authoritarianism

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## Class exercise: AI challenging mass mobilization

1. Make groups of 2/3 people.
2. Under what circumstances could collective action occur?
3. Can it reduce the need for transfers to prevent revolt?
4. 5 minutes.
  - ▶ Feel free to use the Internet.

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## AI and authoritarian capitalism

- ▶ Monopoly of force and public good provision.
- ▶ AI increases state capacity in form of legibility.
- ▶ Property rights, innovation, economic growth.
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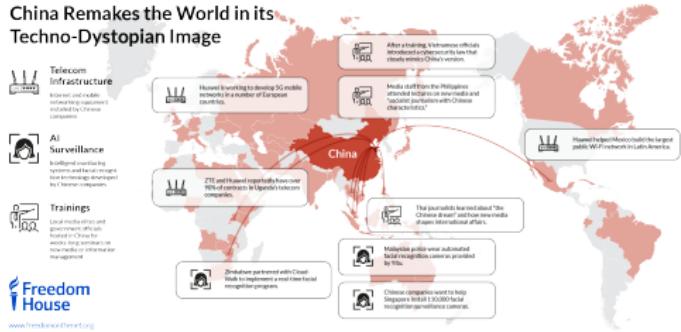
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# Can globalization hamstring political participation?



- ▶ Comparative advantage for authoritarian countries.
- ▶ Firms most benefitted are efficient/large - export competing.
- ▶ Firms benefit from govt. contracts, and create spillovers.
- ▶ Problem: not necessarily efficient and/or redistributive.

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*Chinese surveillance-related digital projects (ASPI 2023)*

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THE EFFECT OF A PUBLIC SECURITY AI CONTRACT ON AI EXPORTS

	Newly exporting firm			
	(1)	(2)	(3)	(4)
Public security	0.032*	0.036**	0.039**	0.036**
	(0.018)	(0.017)	(0.019)	(0.018)
Contract quarter FE	No	Yes	Yes	Yes
Contract prefecture FE	No	Yes	Yes	Yes
Precontract software	No	No	Yes	Yes
Firm age	No	No	No	Yes

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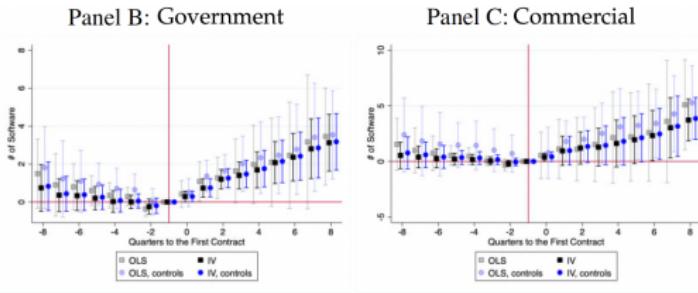


FIGURE V  
The Effects of Politically Motivated Contracts

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SPILLOVER EFFECTS OF POLITICALLY MOTIVATED PUBLIC SECURITY CONTRACTS ON  
SOFTWARE PRODUCTION

	Software produced		
	Total software (1)	Government (2)	Commercial (3)
Panel A: Firms headquartered in localities that experienced political unrest			
8 quarters after unrest	23.968** (10.122)	1.372 (1.102)	9.812** (4.709)
Panel B: Firms headquartered in localities where AI firms receiving politically motivated contracts are also headquartered			
8 quarters after contract	0.003 (0.071)	0.028 (0.033)	0.047 (0.046)
Panel C: Firms that are part of a mother firm with other subsidiaries that have received politically motivated contracts			
8 quarters after contract	-0.498 (0.381)	-0.102 (0.391)	1.365*** (0.310)

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## Class exercise: Market despots?

1. Make groups of 2/3 people.
2. Can a firm wants be ethical?
3. When would this occur?
4. Do governments face bad incentives?
5. If authoritarian capitalism redistributes, does democracy become unnecessary?
6. 10 minutes.
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Next class...

**Why is important to think about global governance of AI/automation?**