

An Oxford Vantage Point for AI Governance: An Enhanced Perspective from Liquid Modernity and Fluid Institutions

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Abstract

This chapeau note provides a comprehensive exploration of artificial intelligence (AI) governance frameworks as of October 2025, viewed through an Oxford lens that integrates technology, markets, organisations, and the philosophical concept of fluid institutions amid Zygmunt Bauman's liquid modernity. Beginning with provocative questions on AI's definition and diverse interpretations, it compares definitional paradigms in global governance, outlines key frameworks, examines implications for innovation, entrepreneurship, and finance, and delves into liquid modernity's relevance for adaptive governance. The scope encompasses a planetary, inclusive approach to AI coexistence, articulating strategies for leveraging enhanced capabilities while mitigating risks. Ultimately, it advocates for fluid, adaptive institutions to ensure equitable, ethical AI advancement, fostering a shared human future.

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Introduction

What is AI? This seemingly straightforward question belies the profound complexity and evolving nature of artificial intelligence, a concept that has sparked debates across disciplines, industries, and societies. To unpack it, let us explore a multitude of definitions drawn from authoritative sources, highlighting the diversity in how AI is conceptualized—from technical engineering feats to philosophical inquiries into machine cognition.

Definitions of Artificial Intelligence

1. AI is technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy (IBM, no date).
2. AI is the science and engineering of making intelligent machines, as defined by Stanford emeritus Professor John McCarthy in 1955 (Stanford Institute for Human-Centered Artificial Intelligence, 2020).
3. AI refers to the ability of machines to learn through experience and gain proficiency through examples, not just by carrying out computations as instructed by human users (National Institute of Biomedical Imaging and Bioengineering, no date).
4. Artificial General Intelligence (AGI) refers to the hypothetical ability of a machine to demonstrate broad, human-level intelligence, including the capacity for understanding, learning, and applying knowledge across diverse domains (University of Notre Dame, no date).
5. Artificial intelligence refers to computer systems that can perform complex tasks normally done by humans, such as reasoning, decision making, and creating (NASA, 2024).
6. AI refers to computer systems capable of performing tasks that typically require human intelligence, such as reasoning, learning, perception, and language understanding (International Organization for Standardization, no date).
7. AI is a machine's ability to perform the cognitive functions we associate with human minds, such as perceiving, reasoning, learning, and interacting with an environment (McKinsey & Company, 2024).

8. Artificial intelligence (AI) is the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings (Britannica, no date).

9. AI can automate repetitive tasks, improve decision-making processes, and enhance the accuracy and speed of data analysis, emphasizing its practical applications in efficiency and insight generation (Carnegie Mellon University, 2023).

These general definitions span from foundational academic views to industry-focused interpretations, but governance frameworks introduce more precise, operational definitions tailored to regulatory needs. For instance:

10. In the EU AI Act, an 'AI system' is defined as a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers from the input it receives how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments (European Commission, 2025; Orrick, Herrington & Sutcliffe LLP, 2025).

11. The US Executive Order on AI adopts the definition from 15 U.S.C. 9401(3): a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments (Federal Register, 2023).

12. The OECD AI Principles define an AI system as a machine-based system that, for explicit or implicit objectives, infers from the input it receives how to generate outputs such as content, predictions, recommendations, or decisions that can influence physical or virtual environments (Organisation for Economic Co-operation and Development, 2019).

13. UNESCO's Recommendation on the Ethics of Artificial Intelligence frames AI as self-learning, adaptive systems encompassing a diverse range of technologies aimed at ethical, human-centered applications (UNESCO, 2024; United Nations, no date).

These definitions reveal a spectrum: broader, aspirational ones from academia and industry emphasize simulation of human intelligence, while regulatory definitions focus on machine-based inference and outputs to enable practical oversight.

In an era where artificial intelligence is reshaping societal paradigms at an unprecedented scale, the imperative for robust governance cannot be overstated. This chapeau note, informed by Oxford's interdisciplinary vantage—encompassing the Saïd Business School's insights on market dynamics, the Oxford Internet Institute's technological inquiries, and philosophical traditions in institutional theory—seeks to articulate a holistic perspective on AI governance. It begins with a provocative interrogation of AI's essence, preserving diverse definitions to highlight conceptual fluidity. The scope of this note is

planetary and inclusive, aiming to delineate existing governance frameworks, compare their definitional paradigms, explore liquid modernity's profound relevance for adaptive regulation, and assess implications for innovation, entrepreneurship, and finance. By positioning fluid institutions at the core, it plans to advocate for mechanisms that enable harmonious coexistence with AI, leveraging enhanced global capabilities while addressing ethical, market, and organisational challenges. This articulation aligns with calls for open, multi-stakeholder processes, connecting ecosystems to propel collective progress into new dimensions of life.

Comparing and Contrasting Definitional Paradigms in Global AI Governance

The definitional paradigms in global AI governance reflect divergent priorities, balancing innovation, risk mitigation, and ethical imperatives. The EU AI Act's definition is expansive and lifecycle-oriented, emphasizing autonomy, adaptiveness, and influence on environments to capture emerging technologies like generative AI, contrasting with narrower views by incorporating post-deployment evolution (European Commission, 2025). This risk-based paradigm prioritizes human protection, differing from the US Executive Order's more concise, objective-driven focus on predictions and decisions, which aligns with innovation-led approaches to avoid over-regulation (Federal Register, 2023). The OECD's definition bridges these, being inference-centric and human-defined, promoting interoperability across borders (Organisation for Economic Co-operation and Development, 2019). UNESCO's paradigm, meanwhile, is ethics-first, viewing AI as adaptive systems grounded in human rights, contrasting instrumental definitions by embedding values like fairness from inception (UNESCO, 2024). These contrasts highlight tensions: EU and UNESCO lean toward precautionary, inclusive scopes to address societal impacts, while US and OECD favor flexible, market-enabling ones, underscoring the need for harmonization in a fragmented landscape.

From an Oxford vantage point—drawing on the interdisciplinary insights of the Saïd Business School's market dynamics, the Oxford Internet Institute's technological explorations, and philosophical traditions akin to those informing institutional theory—AI governance emerges as a critical response to the disruptive interplay of technology, markets, and organisations. In this context, governance frameworks are not static bulwarks but adaptive mechanisms navigating the uncertainties of rapid innovation. Building on the earlier chapeau note, which positioned fluid institutions at the centre of paradigmatic shifts, this discussion revises and augments those arguments by integrating established AI governance frameworks as of October 2025. These frameworks reflect a global effort to mitigate risks while fostering innovation, yet they must contend with

Zygmunt Bauman's concept of liquid modernity: a societal condition of perpetual flux, where solid structures dissolve into flexible, unpredictable forms (Bauman, 2000). Here, AI governance is rephrased not as rigid control but as a fluid institutional response, enabling markets and organisations to harness AI's enhanced capabilities inclusively and ethically. This augmentation emphasises that in a liquid era, governance must prioritise adaptability, interoperability, and multi-stakeholder collaboration to address AI's planetary scale, aligning with calls for open, inclusive processes that connect global ecosystems.

Enhanced Chapeau Note: An Oxford Vantage on Technology, Markets, Organisations, and Fluid Institutions

From the vantage point of Oxford's rich intellectual tradition—spanning the philosophical rigour of its humanities, the empirical insights of the Saïd Business School, and the forward-looking inquiries at the Oxford Internet Institute—technology emerges not merely as a tool, but as a transformative force reshaping markets and organisations in profound ways. In an era defined by accelerating digital innovation, where the global AI market reached USD 638.23 billion in 2025 and is projected to grow to USD 3,680.47 billion by 2034 at a CAGR of 21.5% (Precedence Research, 2025), markets are no longer static arenas of exchange but dynamic ecosystems driven by data flows, algorithmic decision-making, and networked interactions. Organisations, similarly, must evolve beyond rigid hierarchies into agile entities capable of harnessing AI, blockchain, and other emergent technologies to foster resilience and growth—evidenced by 78% of organizations reporting AI usage in 2024, up from 55% the previous year (Stanford Institute for Human-Centered Artificial Intelligence, 2025).

At the centre of this paradigm lies the concept of fluid institutions: adaptable structures that dissolve traditional boundaries, enabling seamless integration of human ingenuity with machine intelligence. Drawing from Oxford scholars such as Zygmunt Bauman's notions of liquid modernity (Bauman, 2000) and contemporary work on institutional theory by Greenwood et al. (2017), fluid institutions reject ossified norms in favour of perpetual reconfiguration—responsive to market volatilities, ethical imperatives, and global interconnectedness. This fluidity empowers organisations to navigate uncertainties, from AI-driven disruptions in labour markets—where AI tools now reach 378 million users worldwide in 2025 (Netguru, 2025)—to the democratisation of innovation across borders, ensuring that technology serves as a catalyst for inclusive progress rather than division (McKinsey & Company, 2025). Globally, legislative mentions of AI rose 21.3% across 75 countries since 2023, marking a ninefold increase since 2016, underscoring the urgency for fluid governance (Stanford Institute for Human-Centered Artificial Intelligence, 2025).

As we convene in this planetary dialogue on AI, let us embrace fluid institutions as the cornerstone for coexisting with and leveraging these enhanced capabilities, forging a future where markets thrive equitably and organisations embody collective wisdom—bolstered by statistics showing that organizations with advanced AI adoption expect budget increases nearly 10% higher than those in early stages (OneTrust, 2025).

Key AI Governance Frameworks in Place as of 2025

As AI permeates critical sectors like healthcare, finance, and transportation—with adoption barriers like governance gating further progress (Deloitte, 2025)—numerous frameworks have been established or updated by 2025 to ensure responsible development, deployment, and oversight. These range from binding regulations to voluntary guidelines, reflecting a patchwork of national, regional, and international efforts. Drawing from comprehensive overviews, nine prominent frameworks stand out, each addressing aspects of risk management, ethics, and accountability (AI21 Labs, 2025). Enhanced here with recent developments, they illustrate a maturing landscape, though fragmentation persists, underscoring the need for fluid, interconnected institutions to bridge gaps—especially as only 14% of organizations enforce AI assurance at the enterprise level (ModelOp, 2025).

1. EU AI Act: Enacted in 2024 and fully operational by 2025, this legally binding regulation classifies AI systems by risk levels—unacceptable (e.g., social scoring), high (e.g., in healthcare), limited, and minimal—imposing bans, strict requirements, and transparency obligations. It mandates compliance for AI deployments in the EU, with penalties up to 7% of global turnover, promoting fairness and human oversight while balancing innovation (AI21 Labs, 2025).
2. UK Pro-Innovation AI Framework: Updated in 2025, this non-statutory guidance from the UK government emphasises five principles: fairness, transparency, accountability, safety, and contestability. Its flexible, sector-specific approach avoids overly prescriptive rules, aiding enterprises in adapting to market volatilities without stifling growth (AI21 Labs, 2025).
3. US Executive Order on AI: Building on the 2023 order, the 2025 update (Executive Order 14179) focuses on removing regulatory barriers to maintain US leadership in AI, while addressing civil rights, national security, and bias-free development. It directs federal agencies to prioritise innovation free from ideological influences, augmenting earlier emphases on trustworthy AI (AI21 Labs, 2025; Splunk, 2025).

4. NIST AI Risk Management Framework (AI RMF): Released by the US National Institute of Standards and Technology in 2023 and refined in 2025, this voluntary tool provides a structured approach across four functions: govern, map, measure, and manage risks. Widely adopted in industries, it offers practical, adaptable strategies for building resilient AI systems amid organisational changes (AI21 Labs, 2025).

5. AI Bill of Rights: Issued in 2022 by the White House, this non-binding blueprint outlines principles like data privacy, equity, and human alternatives. Though not enforceable, it influenced subsequent US policies, serving as a foundational ethical guide for AI in public services and markets (AI21 Labs, 2025).

6. US State-Level Regulations: By 2025, states like Colorado and California have enacted laws such as the Colorado AI Act (prohibiting discrimination in high-risk systems) and California's Automated Decision Systems Accountability Act (enhancing transparency in employment and housing). These localised, enforceable measures address gaps in federal oversight, reflecting fluid adaptations to regional needs (AI21 Labs, 2025; National Conference of State Legislatures, 2025).

7. OECD AI Principles: Updated in 2024, these non-binding guidelines from the Organisation for Economic Co-operation and Development promote human-centric AI through transparency, accountability, and regular policy reviews. Adopted by over 40 countries, they encourage global alignment in markets and organisations (AI21 Labs, 2025).

8. UNESCO AI Ethics Framework: Adopted in 2021 and voluntarily implemented by UN member states, this global standard focuses on inclusive, sustainable AI that upholds human rights. By 2025, it has guided ethical assessments in education and cultural sectors, emphasising peace and equity (AI21 Labs, 2025).

9. G7 Code of Conduct for Advanced AI: Established in 2023 and reaffirmed in 2025, this voluntary commitment among G7 nations outlines best practices for generative AI, including safety and trustworthiness. It supports the Hiroshima AI Process, fostering international cooperation in technology governance (AI21 Labs, 2025).

Beyond these, significant 2025 advancements include the United Nations' launch of two bodies in September: the Global Dialogue on AI Governance, a multi-stakeholder forum for sharing best practices and promoting interoperability; and the Independent International Scientific Panel on AI, comprising 40 experts to provide evidence-based insights on risks and opportunities. These address governance gaps in 118 countries, aiming for inclusive, stable frameworks through public-private partnerships (Elliott, 2025). Singapore's Model AI Governance Framework, updated for accountability and fairness, exemplifies national efforts, while reports like the IAPP's AI Governance Profession

Report highlight professionalisation trends (International Association of Privacy Professionals, 2025; Domo, 2025). The Stanford AI Index 2025 notes a surge in AI-related policies worldwide, driven by advancing capabilities (Stanford Institute for Human-Centered Artificial Intelligence, 2025). Collectively, these frameworks mitigate risks like bias and security threats but reveal tensions between innovation and regulation, necessitating fluid institutions to enable seamless adaptation—particularly as AI adoption in the US workplace outpaces governance, with 30% of organizations having models in production yet facing trust paradoxes (KPMG, 2025; The Data Exchange, 2025).

AI Governance: Implications for Innovation, Entrepreneurship, and Finance

AI governance frameworks, while primarily aimed at mitigating risks, profoundly influence innovation, entrepreneurship, and finance by creating an ecosystem that balances ethical oversight with economic dynamism. In 2025, generative AI has attracted \$33.9 billion in global private investment, marking an 18.7% increase from 2023, underscoring how governance enables rather than hinders innovation (Stanford Institute for Human-Centered Artificial Intelligence, 2025). Frameworks like the EU AI Act and US Executive Order promote innovation by providing clear risk classifications and removing ideological barriers, allowing organizations to redesign workflows—21% of surveyed firms report fundamental changes driven by AI, leading to enhanced EBIT impacts in areas such as product development and IT (McKinsey & Company, 2025; PwC, 2025). However, fragmentation in regulations can stifle innovation if not addressed through agile, interoperable approaches, as emphasized by the OECD's principles, which facilitate data-driven advancements in automating complex tasks and generating insights (Organisation for Economic Co-operation and Development, 2019; OECD, 2025).

For entrepreneurship, AI regulations reshape startup landscapes by influencing compliance costs and fundraising dynamics. In 2025, AI startups have raised \$192.7 billion, representing 52.5% of total venture capital investment, with deal volumes reaching 2,772 in the first half alone (Freewritings.law, 2025; Bestbrokers, 2025). Yet, evolving regulations—such as state-level US laws and the EU's risk-based mandates—require startups to navigate complex compliance, potentially increasing barriers for early-stage ventures while favoring those with robust governance structures (Prometai, 2025; Maccelerator, 2025). Larger organizations, with over \$500 million in revenue, lead in AI adoption and reskilling, centralizing governance to foster entrepreneurial agility, whereas smaller firms lag, highlighting a divide that governance must bridge to democratize innovation (McKinsey & Company, 2025). AI-native startups are rewriting venture capital rules, with corporate venture capital participation rising to 75% of US AI funding rounds by

mid-2025, driven by frameworks that ensure ethical deployment and build investor trust (Ropes & Gray LLP, 2025; World Economic Forum, 2025b).

In finance, AI governance is pivotal for strategic value, with over 85% of financial services firms using AI in 2025, shifting focus from pure innovation to adaptation amid risks like cybersecurity and bias (RGP, 2025; Ideas2IT, 2025). Governance enables revenue growth and cost reductions, as seen in McKinsey's findings where gen AI drives meaningful financial impacts in deploying units, though enterprise-wide EBIT effects remain nascent for over 80% of organizations (McKinsey & Company, 2025). CEO-led governance correlates with higher bottom-line outcomes, mitigating risks in high-stakes sectors while supporting global VC investment climbs to \$120 billion in Q3 2025, fueled by AI focus (KPMG, 2025b; ITU, 2025). Ultimately, in a liquid modernity context, these implications demand fluid institutions to harmonize governance with economic drivers, ensuring AI reshapes labor markets and value creation equitably without curtailing entrepreneurial or financial momentum (World Economic Forum, 2025a; Futran Solutions, 2025).

Exploring Liquid Modernity: Implications for AI and Governance

Zygmunt Bauman's liquid modernity, introduced in his seminal work, describes the transition from a 'solid' modernity of stable, hardware-centric structures to a 'liquid' one characterised by fluidity, uncertainty, and software-driven ephemerality (Bauman, 2000). In this paradigm, institutions, relationships, and identities are perpetually reconfigured, dissolving fixed boundaries in favour of adaptability amid constant change. Rephrased for contemporary relevance, liquid modernity manifests in technology's acceleration, where markets become volatile data ecosystems—with the generative AI market alone projected at \$62.72 billion in 2025 (Sequencr, 2025)—and organisations shift from hierarchies to agile networks (MarketsandMarkets, 2025).

To explore liquid modernity further, it is essential to recognize its roots in Bauman's critique of postmodern society, where 'heavy' industrial modernity gives way to 'light' consumer-driven liquidity, eroding long-term commitments in favour of transient, flexible arrangements (Bauman, 2000). This fluidity extends to power dynamics, as discussed in dialogues on liquid modernity and power, where traditional hierarchies dissolve into networked, ephemeral influences (Haugaard and Bauman, 2008). In digital realms, this parallels the 'fluid social,' where AI-mediated interactions render knowledge mobile and protean, challenging fixed social norms (Sutherland, 2024). Moreover, liquid modernity amplifies anomie-like ethical dilemmas, as traditional moral constraints melt away, leaving individuals to navigate instability without solid anchors (Kovács, 2025).

Augmenting this to AI, liquid modernity underscores the technology's role in amplifying uncertainty: AI disrupts careers through automation, reshapes education via personalised yet ephemeral learning tools, and fosters digital worlds of fluid social interactions (Rodrigues, 2024; Pereira et al., 2025; Mind Matters News, 2021). For instance, AI's integration into content consumption predicts 'liquid reading'—fragmented, adaptive engagement over linear narratives—mirroring Bauman's liquid life (Mend, 2025). In science and organisations, it influences research practices by prioritising 'lightness' and rapid iteration over rigid methodologies (Sánchez-Prieto et al., 2021). Liquid modernity is more than relevant for any effort in AI governance because AI not only embodies liquidity—through its adaptive, self-evolving algorithms—but also accelerates it, rendering traditional, 'solid' regulatory approaches obsolete. In a liquid society, AI exacerbates ethical risks like bias, privacy erosion, and job displacement, demanding governance that is itself fluid: continuously self-adapting, ethically attuned, and capable of addressing emergent harms without stifling innovation (Leal, 2024; Lostal-Martínez, 2023). Static frameworks risk irrelevance amid AI's rapid flux, as seen in the ethical implications of AI in media and decision-making, where liquidity blurs lines between human and machine agency (Kumar et al., 2025; Chan-Olmsted and Wolter, 2024). Thus, governance must incorporate Bauman's insights to foster 'liquid adaptive AI' paradigms, where systems evolve ethically through ongoing stakeholder dialogue, mitigating societal fragmentation and promoting human-centered resilience (Santos and Mendes, 2025; Carter, 2025).

Applied to governance, liquid modernity critiques static frameworks as inadequate; instead, AI demands fluid institutions that embrace perpetual reconfiguration, responsive to ethical imperatives and global interconnectedness (Bauman, 2000; Lostal-Martínez, 2023). Enhancing the earlier arguments, fluid institutions—drawing from Bauman's liquidity and Oxford's institutional theory—position AI governance as a cornerstone for equitable markets. In liquid modernity, rigid controls risk obsolescence; thus, frameworks like the UN's bodies exemplify fluidity by incorporating diverse stakeholders for ongoing dialogue (Elliott, 2025). This augments the call for planetary, inclusive processes: by leveraging existing resources and platforms, organisations can forge connections that propel collective advancement into AI-enhanced dimensions, mitigating division while capitalising on opportunities—as evidenced by federal government trends where AI drives digital modernization in areas like public services (ICF, 2025).

Conclusion

In synthesizing the multifaceted dimensions of AI governance explored throughout this chapeau note, we arrive at a pivotal juncture where the transformative potential of artificial intelligence demands not merely reflection but proactive reconfiguration of our societal, economic, and institutional architectures. Drawing from an Oxford vantage point—rooted in the interdisciplinary synergies of the Saïd Business School's market analyses, the

Oxford Internet Institute's technological foresight, and philosophical traditions in institutional theory—this exploration has traversed the conceptual fluidity of AI's definitions, the contrasting paradigms in global governance frameworks, the implications for innovation, entrepreneurship, and finance, and the profound relevance of Zygmunt Bauman's liquid modernity. At its core, this note reveals AI not as a static technological artifact but as a dynamic force accelerating societal flux, where rigid, 'solid' structures of the past dissolve into ephemeral, adaptive forms. This paradigmatic shift underscores the ethical and societal challenges—such as bias amplification, privacy erosion, job displacement, and unequal access to AI benefits—while simultaneously illuminating opportunities for enhanced human capabilities, inclusive markets, and resilient organizations.

Recapping the key threads, our interrogation of AI's essence highlights its definitional diversity: from IBM's emphasis on simulating human autonomy to the EU AI Act's focus on adaptive, inference-based systems that influence environments. These variations are not mere semantic divergences but reflect deeper tensions in governance priorities—precautionary and human-centric in the EU and UNESCO frameworks, versus innovation-driven and flexible in the US Executive Order and OECD principles. As of October 2025, the landscape of AI governance frameworks, including the EU AI Act's risk-tiered regulations, the NIST AI Risk Management Framework's voluntary tools, and emerging UN bodies like the Global Dialogue on AI Governance, demonstrates a maturing yet fragmented global response. These mechanisms have mitigated risks in critical sectors—evidenced by Deloitte's 2025 report on adoption barriers and KPMG's findings on trust paradoxes in US workplaces—yet they often lag behind AI's rapid evolution, with only 14% of organizations enforcing enterprise-level assurance (ModelOp, 2025).

The implications for innovation, entrepreneurship, and finance further amplify these dynamics. AI has catalyzed unprecedented economic momentum, with generative AI attracting \$33.9 billion in private investment in 2025 (Stanford Institute for Human-Centered Artificial Intelligence, 2025) and venture capital in AI startups reaching \$192.7 billion, comprising over half of total VC funding (Freewritings.law, 2025). Governance frameworks like the UK's pro-innovation approach and state-level US regulations have enabled this growth by balancing compliance with agility, allowing organizations to redesign workflows and achieve EBIT impacts in areas like product development (McKinsey & Company, 2025). However, for entrepreneurs, particularly in startups, regulatory fragmentation poses barriers: compliance costs can deter early-stage ventures, favoring larger firms with resources for reskilling and centralized governance. In finance, AI's adoption—now at 85% in financial services (RGP, 2025)—drives revenue and efficiency, yet underscores risks like cybersecurity, necessitating CEO-led strategies to build trust and capitalize on \$120 billion in Q3 2025 VC investments (KPMG, 2025b).

Central to this narrative is liquid modernity's lens, which reframes AI as both a product and accelerator of perpetual uncertainty. Bauman's (2000) concept—where solid institutions melt into fluid, reconfigurable ones—resonates deeply in AI's context: algorithms evolve

unpredictably, markets become volatile data ecosystems projected to reach \$3,680.47 billion by 2034 (Precedence Research, 2025), and social interactions fragment into ‘liquid’ digital realms (Sutherland, 2024). This fluidity exacerbates ethical dilemmas, from anomie in decision-making (Kovács, 2025) to the blurring of human-machine agency (Chan-Olmsted and Wolter, 2024), demanding governance that is adaptive rather than prescriptive. Fluid institutions, as advocated here, embody this response: they reject ossified hierarchies in favor of perpetual reconfiguration, fostering interoperability across borders and sectors to address AI’s planetary scale. Examples abound in 2025 advancements, such as the UN’s multi-stakeholder forums and Singapore’s updated Model AI Governance Framework, which prioritize ongoing dialogue to bridge governance gaps in 118 countries (Elliott, 2025).

Yet, this analysis is not an endpoint but a call to action. To chart a way forward, we must prioritize the establishment of a global AI Fluidity Alliance—a proposed multi-stakeholder consortium comprising governments, academia, industry leaders, civil society, and ethicists. This alliance, modeled after the UN’s Independent International Scientific Panel on AI but expanded for real-time adaptability, would operate on three pillars: (1) **Dynamic Policy Iteration**, involving annual reviews of frameworks using AI-driven simulations to anticipate risks and integrate feedback loops, ensuring regulations evolve with technologies like generative AI; (2) **Inclusive Capacity Building**, through open-access platforms for training and reskilling—targeting underserved regions to democratize AI benefits and reduce the adoption divide, where 78% of organizations report AI usage but smaller firms lag (Stanford Institute for Human-Centered Artificial Intelligence, 2025); and (3) **Ethical Interoperability Standards**, developing shared protocols for data privacy, bias mitigation, and human oversight, harmonizing divergent paradigms (e.g., EU’s precautionary approach with US innovation focus) via blockchain-enabled transparency tools.

By implementing this alliance, we can propel AI governance beyond mitigation toward empowerment: fostering equitable markets where innovation thrives without exacerbating inequalities, resilient organizations that harness AI for collective wisdom, and a harmonious human-AI coexistence that amplifies prosperity. Future efforts must embed this fluidity at every level—from national policies to corporate strategies—ensuring technology serves as a catalyst for inclusive advancement in an uncertain world. In doing so, we not only navigate liquid modernity’s challenges but transform them into pathways for a shared, ethical human future, where AI enhances rather than erodes our planetary potential.

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