

# The position of ecosystem of Lithuania's business and startups who work in AI field

The general feedback from businesses, startups and AI professionals. The insights from the feedback are presented in this document. While the number of responders are small 11 responses we collected, but all respondents represent companies which working in AI field, also the cumulative share value of business and startups are estimated over 20 million.

## The feedback from ecosystem:

In general more than half participants were familiar with the AI whitepaper of European Commission, others presented the position from the business perspective.

The Whitepaper prepared 6 main directions for stimulation of AI. The reaction of ecosystem, on proposed stimulus of ecosystem was:

- Strengthen excellence in research - **all** correspondences mentioned that **it's important or very important**
- Establish world-reference testing facilities for AI - **the majority** correspondences **support** the creation of testing facilities
- Promote the uptake of AI by business and the public sector - **the majority** correspondences **support** the AI promotion
- Increase the financing for start-ups innovating in AI - **all** correspondences mentioned **that it's important or very important**
- Develop skills for AI and adapt existing training programmes - **all** correspondences mentioned that **it's important or very important**
- Build up the European data space - **there was no unified agreement** if it is necessary to have EDS

In general ecosystem support all the stimulus initiatives proposed by EC.

EC issued and mentioned various potential risks and damages that might arise from AI products and technologies. The reaction on proposed stimulus of ecosystem were:

- AI may endanger safety - **there was no unified agreement**
- AI may breach fundamental rights (such as human dignity, privacy, data protection, freedom of expression, workers' rights etc.) - **the majority** correspondences support that **its important**
- The use of AI may lead to discriminatory outcomes - **there was no unified agreement**
- AI may take actions for which the rationale cannot be explained - in general this **is not assumed as significant**
- AI may make it more difficult for persons having suffered harm to obtain compensation - **the majority** correspondences support that **its important**
- AI is not always accurate - in general this **is not assumed as significant**

The critical view and not importance of the accuracy of AI is based on practical knowledge of creating AI technologies based applications. In most cases AI solutions are improved during the time and deployment as well as with more data. The risks and damages mentioned in Whitepaper should be separated from the ones that have high probability to directly impact human. Otherwise the technology should not be regulated, it's evolving rapidly, and in order to have breakthroughs no restrictions should be implemented. Even if AI is not accurate at the moment, it is improving over time and by using more data.

EC suggests that strong legislation must be introduced to ensure AI development based on EU values. In question whether the concerns expressed above can be addressed by applicable EU legislation? **There was no agreement** whether there are enough regulations or new should be introduced.

In practice new legislation would be implemented as some form of regulations or voluntary certification. **The majority expressed** issues mentioned before that **can not be addressed by applicable EU legislation**.

Creating AI systems is a process which requires a lot of research and knowledge. In such a way some kind of standardization should be formed. On the question how important are the following mandatory requirements of a possible future regulatory framework for AI, the responses was:

- The quality of training data sets - **there was no agreement** whether quality of the data is important
- The keeping of records and data - **the majority** correspondences **support the keeping the records**
- Information on the purpose and the nature of AI systems - **there was no agreement** whether it's important **the purpose of AI system**
- Robustness and accuracy of AI systems - **the majority** correspondences **support the importance of robustness of the AI system**
- Human oversight - **the majority** correspondences **disagree that oversight is needed**
- Clear liability and safety rules - **there was no agreement** on safety regulations

Practitioners think rules on technology are not necessary. First the AI must be developed, and only then we can talk about the rules. Now only simple deterministic AI models are available in practice and a lot of research takes place to create one. The regulations might limit the quality of and the quality of the new experiments to create various new models.

In general have survey participants **don't think** that the use of remote biometric identification systems (e.g. face recognition) and other technologies which may be used in public spaces **need to be subject to further EU-level guidelines or regulation**, and **minority expressed** that biometric identification systems **should be allowed** in publicly accessible spaces **only in certain cases or if certain conditions are fulfilled**.

Most of the data driven applications nowadays use some form of AI system. Such regulations probably would come based on the application's risk level. **There was no agreement whether a voluntary labelling system** (Section 5.G of the White Paper) would be useful for AI systems that are not considered high-risk in addition to existing legislation.

The current product safety legislation already supports an extended concept of safety protecting against all kinds of risks arising from the product according to its use. **The majority expressed no opinion** on which particular risks stemming from the use of artificial intelligence should be further spelled out to provide more legal certainty.

Most AI models are based on historical data. Some of the products might be changed (equivalent of update). On question: If the first version model would be certified, how about the updates? **The majority agree** that the safety legislative framework **should consider new risk assessment procedures for products subject to important changes during their lifetime.**

The question about AI liability is raised on various levels. **There was no agreement** whether the current EU legislative framework for liability (Product Liability Directive) should be **amended to better cover the risks endangered by certain AI applications.**

AI technology and products using AI technology are separable. **There was no agreement whether the current national liability rules should be adapted** for AI to better ensure proper compensation for damage and a fair allocation of liability.

On the question: How likely that AI regulations will have a negative economical impact on your business model or products?  
**All participants answered that there will be some or large impact.**

Other comments from community:

"Make a voluntary AI testing with quality reports"

"New regulations will further increase the lag between innovative markets (US and China) and the conservative EU market. Additional regulation should only be considered after clear mechanisms of enforcing such regulation in overseas markets can be established. Failure to do so will result in further loss of competitiveness of EU companies."

"In my opinion current EU AI strategy not sufficiently takes into account the potential consequences of the outcome of the global race towards mastering AI and especially AGI (artificial general intelligence)."

## **The impact assessment:**

On AI technological development: The ecosystem indicates that necessity to differentiate the technologies from products is of huge importance. The EU and Europe already fall behind US and China in the infrastructure, data and algorithms part. So the remain competitive and in order to strive for leadership in the global market the united initiatives to increase technological development is important. The same policies should be implemented in the national level. First the development of AI algorithms starts in universities where strengthening of academic research of AI should be increased. The startups and business also doing research and development to provide AI solutions due social transformation, which leads to the possible economic impact due the additional regulations on end products.

On persons level (eg consumers, patients, end users, etc.) the regulations give strict and additional rights to be informed, and to keep the human in the loop. However, the automatization as well as creation of the high added value technologies, lead to this digital world. Can you Imagine if all board control posts in airports remove the remote identification functionality and we keep human in the loop, there is numerous examples where the automatization gave the better results than human decision, including some medical fields. So before introducing each regulation, assessment on how much impact it would have is necessary.

## **Conclusions:**

Ecosystem indicates that the technologies of artificial intelligence and applications which use the AI should be interpretable separately. Community indicates and supports the stimulus of AI. More importantly ecosystems see the necessity for the EU to engage to create general artificial intelligence and invest in AI in order to be competitive in Global market. All the practical regulations more likely than not will have a negative economic impact. That being said, various restrictions and new regulations could be introduced if it involves direct and potential harm of people should be taken into consideration.