

# AI and its implications a central topic at Davos meeting

Nick Beams  
18 January 2024

One of the central topics of discussion at this year's World Economic Forum gathering of the global elites at Davos, Switzerland, both on the public platforms and in the private suites where much of the real business is done, is artificial intelligence (AI).

AI represents a major advance in technology with the capacity to enormously develop the productivity of labour and thereby provide the basis for social advancement.

But its development under the social relations of capitalism, based on the private ownership of the means of production (including so-called intellectual property) and the extraction of private profit, means it will not have this effect but the reverse.

This fact of economic and political life, which poses the need for the establishment of socialist economic relations, is acknowledged, albeit indirectly, in the *Global Risks Report* prepared by the WEF for this week's meeting.

It said the convergence of technological advances and geopolitical dynamics, an oblique reference to the rise of militarism led by the US, would likely create a new set of winners and losers in advanced and developing countries alike.

"If commercial incentives and geopolitical imperatives, rather than public interest, remain the primary drivers of the development of... AI and other frontier technologies, the digital gap between high- and low-income countries will drive a stark disparity in the generation of related benefits—and risks. Vulnerable countries and communities would be left further behind, digitally isolated from turbocharged AI breakthroughs impacting economic productivity, finance, climate, education and health care, as well as related job creation."

In other words, rather than becoming a means to end

global social inequality and impoverishment the development of AI, according to the profit motive and the interests of the major capitalist powers, will worsen it.

In another section of the document, it points to the vast implications of AI and other advanced technologies.

"Unchecked proliferation of increasingly powerful general purpose AI technologies will radically reshape economies and societies over the coming decade... It will also interact with parallel developments. Intentional misuse is not required for the implications to be profound.

"Novel risks will arise from self-improving generative AI models that are handed increasing control over the physical world, triggering large-scale changes to socioeconomic structures."

One is reminded of the observation by Marx in the *Communist Manifesto* that the bourgeoisie is like the sorcerer's apprentice who had conjured up spirits from the nether world which he did not know how to control.

And at a deeper level it recalls Marx's analysis that the objective historical necessity for socialism, achieved through social revolution carried out by the working class, arises from the contradiction between the development of the productive forces and the social relations of capitalism in which they are encased.

The alternative to this perspective is the descent into barbarism of which war is most obvious expression.

AI, as the WEF report pointed to, plays a critical role here.

"The creep of machine intelligence into conflict decision-making—to autonomously select targets and determine objectives—would significantly raise the risk of accidental or intentional escalation over the next decade," it said.

Others have also been sounding warnings. Back in October, in an interview with the *Financial Times* (FT), the chair of the US Securities and Exchange Commission, Gary Gensler, said unless a way was found to control the use of AI platforms in the financial system then a crisis was “nearly unavoidable” in the next decade.

He said the use by market participants of the same AI models could generate “herd” behaviour and unleash a crisis.

These warnings were echoed by the governor of the Bank of Spain, and the chair of the Basel Committee in Banking Supervision, Pablo Hernández, in an interview with the FT on the eve of the Davos meeting.

He said fast-developing technology, in particular AI, “could change the course of history, not necessarily for the good.”

The increase in economic problems over the past decade meant that greater international cooperation was needed.

“However, what we are observing at the geopolitical level shows that reaching common agreements is becoming more and more difficult. That is a concern for me, and it is a concern for many people,” he said.

“Financial stability is only one dimension, there are many other potentially more important consequences related to AI... If we are not able to give a co-ordinated global response, the likelihood of getting the right solution to these challenges will be reduced.”

But as the need for global cooperation increases, the prospect for achieving it founders on a central contradiction of the capitalist system—that between the integrated and interconnected world economy and system of rival nation-state and great powers, each pursuing its own interests.

The increased use of AI in all sections of industry will also lead to what is euphemistically termed the “restructuring” of the labour market.

Last March Goldman Sachs issued a report saying that AI could lead to the automation of a quarter of the work carried out in the US and the euro zone.

It said AI systems that generate content indistinguishable from human output could increase annual gross domestic product by 7 percent over the next decade. But this increase in productivity would result not in the material improvement in living standards but in increased profit.

The report said AI would bring “significant disruption” to the labour market with some 300 million workers in major economies exposed to its effects and that two-thirds of all jobs were exposed to some degree of automation.

A survey conducted by the accounting firm PwC of global chief executives, released as the Davos meeting began, said a quarter of them expected that AI would lead to a reduction in employment of 5 percent this year. Some 46 percent said that the use of generative AI which can generate text, images and code in seconds would boost profits over the course of the next year.

These reports and surveys underscore the enormous potential of AI for increasing wealth but that left in the hands of the capitalist ruling classes it will not bring social advancement but further inequality and misery. Rather than bringing about the global cooperation needed for its harmonious development, it will only intensify the geopolitical conflicts and tensions already manifesting themselves in war.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**