

AI & Social Impact

The AI wave is going on strong, and it's not stopping any time soon. I have seen first hand what it can do in a narrowly scoped world and through a first person perspective. It is a very capable tool in the right hands, but outputs garbage if you don't know what you want. For some specific things it produces garbage even when you are explicit about what you need. I witnessed frustration when trying to create specific, technically accurate diagrams. Hallucinations and getting locked in a loop still are issues AI deals with when the context becomes too large. Some of these shortcomings do have work arounds if you've spent enough time with the tools. And that brings me to my main thought. These things are advanced, and getting more advanced and capable with each generation, but ultimately they are tools, bending to the will of the wielder.

So, I want to take all the hype with a pinch of

salt. Now that I've had some time to think through the 'Something Big is Happening' blog, I find myself agreeing with the broad strokes, but don't agree with the hyperbole and find some nuance missing.

First, what I agree with:

- Yes almost every industry will be disrupted by AI, knowledge work more immediately, and physical labor when robotics is finally advanced and cheap enough to perform general purpose tasks.
- Yes, lower level jobs with high repetition and low value outputs will vanish. One AI enabled person will be able to produce the output of ten grunt workers, so there will be shrinkage in the jobs we perform today.
- Yes, we should tighten our belts and save/invest. But that is solid financial advice irrespective of the general situation.
- Yes, we should find passion in something and use AI in those areas so we can build deep expertise in that area or that is the most

What I don't agree with:

- Jevon's paradox is real, has held true for several previous disruptions, so this one shouldn't be that different, though the pace of change is unprecedented. There will be job loss, but new types of work will emerge which we can't imagine. The work my son will do hasn't been invented yet. I remain hopeful for the future.
- Despite exceptional ability to analyze vast amount of data and tech applicability of the analysis to a specific situation, still remains deeply human built on years and decades of intuition. Models, even the most advanced ones still hallucinate so you cannot get rid of human oversight anytime soon, especially in areas where the cost of being wrong is massive - Healthcare, Banking & Finance, Insurance, Law Enforcement & Defense, and many others.
- The comparison to COVID is a massive exaggeration. The world is not going to be upended in a few weeks. This change will unfold over months and years.

The nuance I find missing, and other thoughts:

- The doom and gloom tone feels alarmist at best and unscrupulous at worst. The loudest voices in the industry come from people who have a deep conflict of interest with AI not meeting the hype. Companies that have poured billions of dollars into hardware, infrastructure and models cannot be trusted to provide reliable information if there is a scaling problem with their AI. The call to use the latest and greatest model has me conflicted. While it is true paid models are substantially better than the free ones, only a few privileged ones can afford to spare a couple of hundreds of AI subscriptions and API tokens. Outside of tech, most people seem to think of AI as a fun toy to create images, videos, or post AI generated content on LinkedIn pretending to be thought leaders. On the other hand, it seems like a direct sales pitch to increase adoption.

- The post completely sidesteps the question of what happens to succession plans and finding the next set of leaders if no one is spending time in the trenches, learning the ropes, building the intuition to take the human judgement call that needs a gut feel and a pulse on the industry that only comes with experience. If fresher and early career hiring vanishes, who will take the mantle when the current crop of leaders start retiring over the next couple of decades?
- The social cost. If the same output can be generated by $1/10^{th}$ the workforce, what will the rest 90% of the population do? I don't see things like UBT and Universal healthcare becoming a reality anytime soon. The financial beneficiaries of the AI revolution are a handful of people so this will work towards accelerating the accumulation of wealth at the top, leaving the majority destitute. No wonder the rich are building bunkers.

- The economic cost. Everyone wants to build robotaxis and automate warehouse operations and factories. Who is going to buy their services and products if people have to choose between food and rent? The current runaway late stage capitalist model needs to give way to something more capitalistic with a safety net.
- The AI promise may be overhyped. Yes, things will continue to improve, but model collapse and regression to the mean are real. You need human beings for true original creations and maintain the tail, else AI feeding on AI generated content will result in future outputs being generic boring slop. That will make true human ingenuity with all its flavors of a premium. There already is a trend emerging of people quickly subtly picking up on AI generated content and quickly disengaging. And it still sucks at real world tasks out side of coding/data analysis/text generation. Some creative fields, it needs a lot of growing up to do.

Porting thoughts:

To me the biggest threat of AI is not immediate job losses or industry disruption. We are a resilient species and we will survive this too. The biggest threat is giving up our critical analysis capability and let AI do the thinking for us. Schools and parents already struggle to deal with screen addiction, will have a much broader challenge - how to bring up the next generation who is still in charge of their mental faculties. We are already seeing effects like those where students are submitting LLM generated essays, police picking up the wrong people blindly trusting AI IDs, doctors operating on the wrong part based on AI diagnosis. This also brings me to my final conclusion. AI is as good as the data it is trained on, and it reflects the same biases we have. In corporate world too, enterprise adoption will lag unless companies clean up their data exposed to AI tools. Till then, it is

Garbage in - Garbage out.

I use AI almost every day in my work and I am in awe of what these systems can do. But there are real challenges that need to be addressed - Social Equality, Copyright Protections, Fact Checking, Regulation, Bias Removal etc. before we can usher in a true age of AI where it is helping everyone and not just the ones living on the edge.