

# CAN PRINCIPLED AI TRULY BENEFIT FILIPINOS?\*

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# WHAT IS A PRINCIPLED AI?

[ai-ph.org/aiprinciples](https://ai-ph.org/aiprinciples)

# What is a Principled AI?

[ai-ph.org/devframe](https://ai-ph.org/devframe)

## A principled AI:

1. Inclusive growth, Sustainable development and well-being
2. Human-centered values and fairness
3. Robustness, Security and Safety
4. Accountability
5. Transparency, explainability, and traceability
6. Trust

[ai-ph.org/aiprinciples](https://ai-ph.org/aiprinciples)

*“In order for the general public to trust AI-based products or services, they need to have faith that there are regulations that are ensuring that AI products or services are not released in the market until they meet a certain threshold of safety, security, robustness, fairness, transparency, and other key required attributes” (Lobana, 2022).*



# Benefits of Principled AI

[ai-ph.org/devframe](https://ai-ph.org/devframe)



# What are some of the benefits of principled AI?

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## 1. Economic Growth

- By 2030, AI's **potential to increase global economic activity** by around **\$13 trillion** (McKinsey Global Institute)
  - 70% of companies would have adapted at least one type of AI technology
- AI can cause a significant **boost in labor productivity** by up to **40%** (Accenture)

# What are some of the benefits of principled AI?

## 2. Improved Health Systems

- **Epidemic Prediction**
- **Guide for best treatment options**
  - Guide for cancer treatment in Thailand, China, and India
- **Population Health Analysis**
  - Tracking health inequalities in resource-poor areas

# What are some of the benefits of principled AI?

## 3. Nurtured Agriculture

- **Increased Productivity**
  - Autonomous, large scale, agricultural tasks
  - Improved Irrigation
  - Accessibility to crops
- **Better Food security**
  - Monitor climate conditions
  - Crop yield prediction
  - Decrease in Carbon footprint

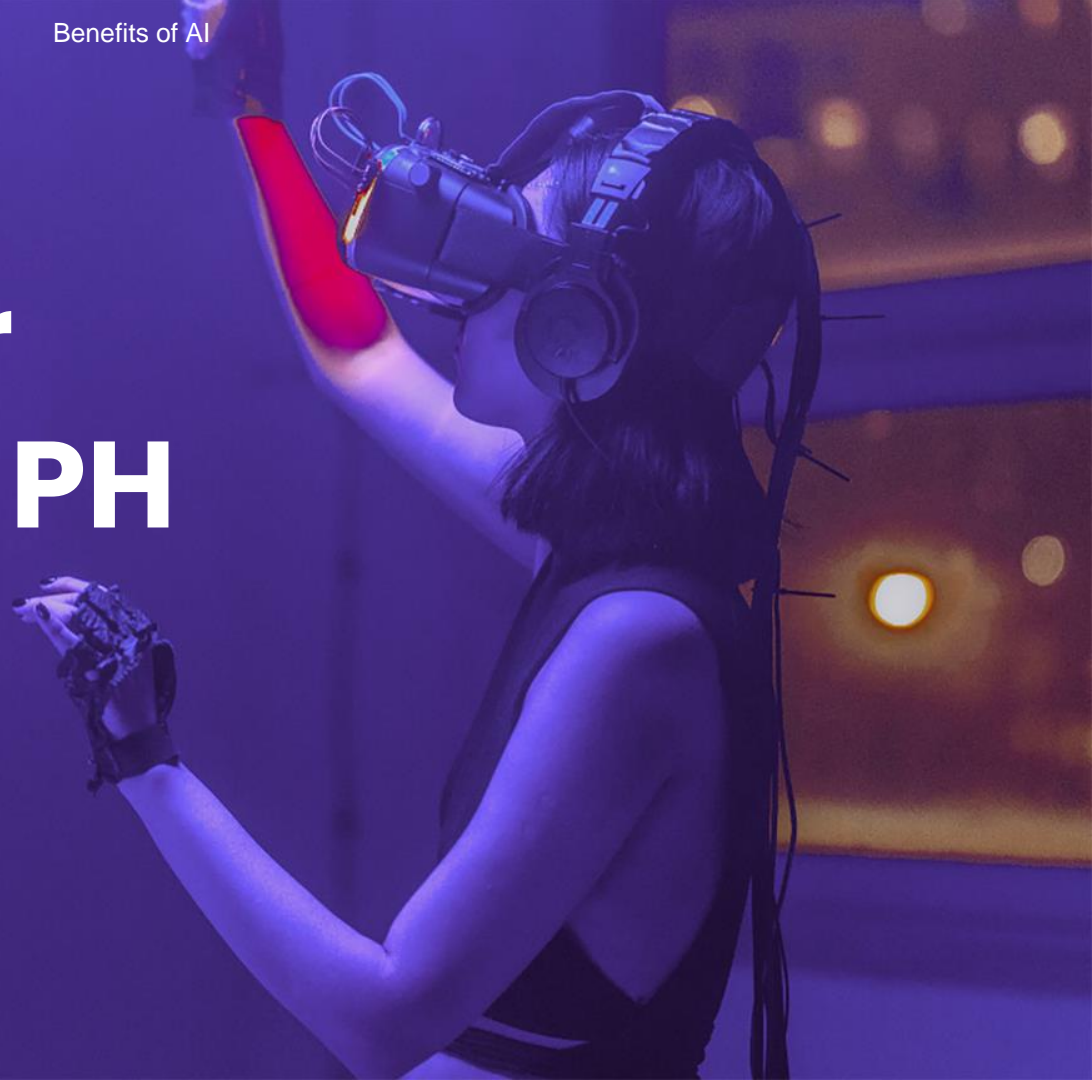


# What are some of the benefits of principled AI?

## 4. Good and Transparent Governance

- **Advanced Payroll Systems**
  - detect ghost employees
  - comparing similar fingerprints and irises to stop payroll fraud
- **Digital Whistleblowing**
  - smarter evaluation and recording of anonymous information
  - analyze patterns from complaint records to aid in investigation and purge false reports
- **Corruption Monitoring**
  - operate automatic auditing functions on the spending accounts of politicians and officials

# Brief Situationer Of AI in the PH





# Bills concerning AI

1. HB00043 (**Sana All May Internet Act**)
2. HB07396 (**Artificial Intelligence Development and Regulation Act of the Philippines**)
3. HB07600 (An Act Strengthening the Powers and Functions of the Intellectual Property Office of the Philippines, Amending for the Purpose Republic Act No. 8293, as Amended, Otherwise Known as the "**Intellectual Property Code of the Philippines**")

## Study Example:

“Artificial Intelligence for Sustainability: Evidence from select Small and Medium Enterprises in the Philippines” (Hernandez et al., 2023)

Philippines: SMEs account for 99.5% of all enterprises and contribute around 35.7% of total value added in the economy. SMEs are instrumental to further achieve the Sustainable Development Goals established by the United Nations (UN). Yet, research for sustainability in SMEs is scarce and gap in research is large.

## Study Example:

# Artificial Intelligence for Sustainability: Evidence from select Small and Medium Enterprises in the Philippines (Hernandez et al., 2023)

### **Findings (limited scope):**

- few SMEs have AI applications in business to address sustainability
- most SMEs are in the incremental and situational development levels
- insufficient physical and technological infrastructure, availability of data, customers' privacy and security, insufficient legal frameworks, management support, and lack of AI adoption strategy are evident issues and challenges to progress AI for sustainability in SMEs.

# Gartner Hype Cycle

1. Innovation/Technology Trigger
2. Peak of Inflated Expectations
3. Trough of Disillusionment
4. Slope Enlightenment
5. Plateau of Productivity

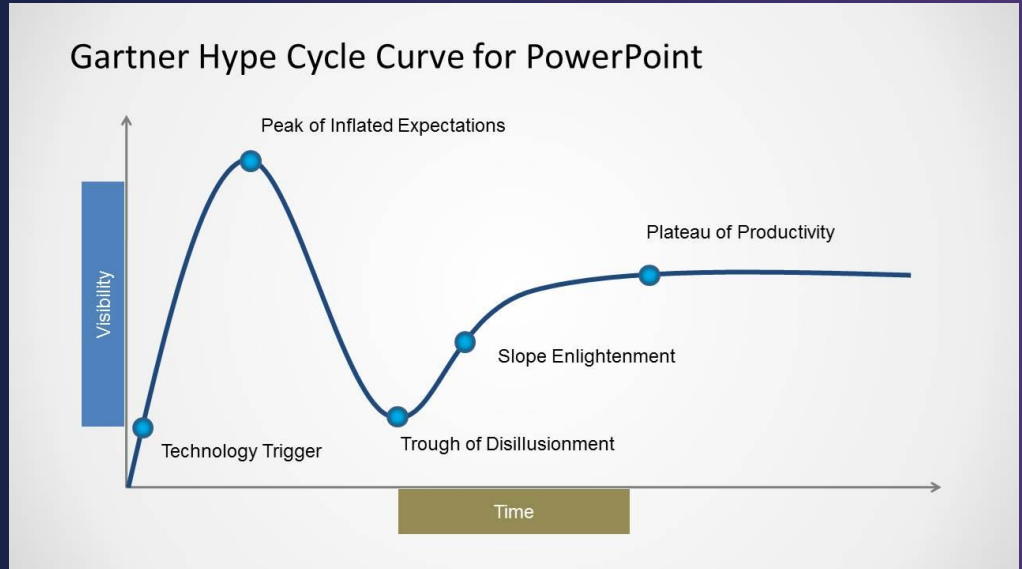


Illustration: Slidemodel.com

Can Principled AI truly benefit Filipinos?: Yes, If...

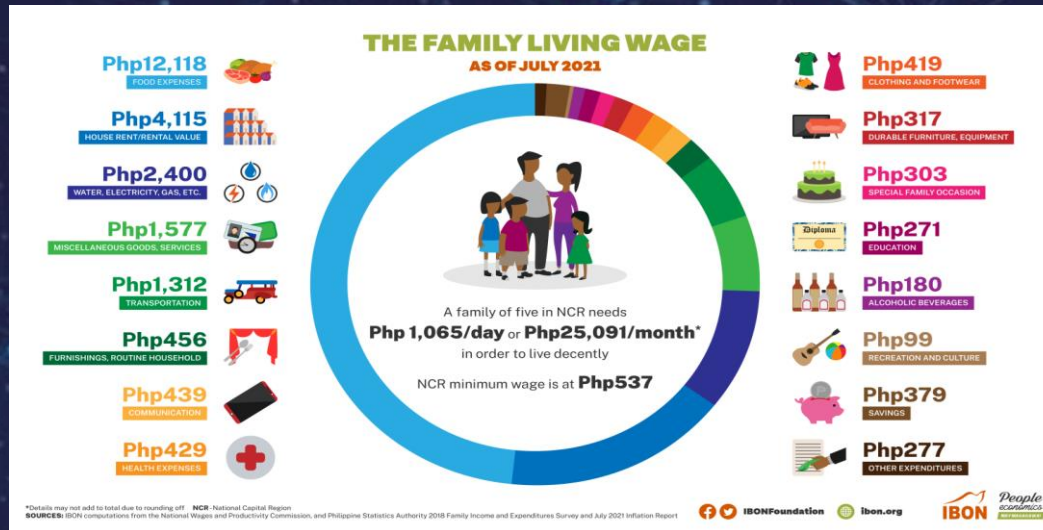
# Can Principled AI Truly Benefit Filipinos?



*Yes, IF...*

# 1. Livable Wage/Universal Basic Income

The minimum wage is not even half of the supposed living wage.





## 2. Lessen Inequality

- Deconcentrate high incomes at the top

Philippine Institute for Development Studies (PIDS): 57% of the population are classified as poor, 40% belong to the lower and upper middle classes, 2% are in the upper class and less than 1% are rich. BUT ....

*The 9 richest Filipinos have more wealth compared to the 55 million or HALF OF THE ENTIRE PHILIPPINE POPULATION (Oxfam International, 2022)*

Oxfam International: "as the cost of essential goods rises faster than it has in decades, billionaires in the food and energy sectors are increasing their fortunes by \$1 billion dollars every two days."

### 3. Stronger/Encourage Unions

Status Quo of Labor Union in the PH (ILO, 2023)

- about **600 national trade unions**, industrial federations and plant-level unions from private and public sectors. However, **they represent less than 10% of the 38.8 million-strong workforce.**

## 3. Stronger/Encourage Unions

### Unionism in the Philippines during the pandemic (UPD Law, 2021)

- Mass layoffs from companies
- Terminations amounting to union busting
- Baseless red-tagging and accusations

Ex: Kilusang Mayo Uno

# 3. Stronger/Encourage Unions

## Importance of Labor Unions

- Greater collective bargaining power
  - Raise wages
  - Compress the overall income distribution
  - Slowing the relative growth in top incomes
- Securing just wages
- Protection of the workers
- Involvement of workers to the policy-making process

Can Principled AI truly benefit Filipinos?: Yes, But...

# CAN PRINCIPLED AI TRULY BENEFIT FILIPINOS?:

*Yes, BUT...*

# 1. Accessibility

AI is only accessible to people who already possess digital devices.



Photo: Freepik

## 2. Job Replacement

Some jobs are at risk of becoming obsolete.

Ex: The Film Industry in Hollywood: SAG-AFTRA and WGA Strike



Photo: Businessinsider

## From SAG-AFTRA and WGA writers:

Writers, in general, acknowledge the use of AI in their writing/creative process but there are nuances needed to be discussed formally such as crediting. *They emphasize that an AI-powered chatbot like **Chat GPT is a tool, not a replacement** for writers.* But with how the AI technology is changing and moving so fast, the possibility of replacing writers is not impossible and this is something that the WGA is preventing—*the loss of livelihoods.*



***“Let us not rig AI against people.”***

- US Former Secretary of Labor Robert Reich

### 3. Unhealthy dependence on AI

As AI systems become more advanced, there is a risk of overreliance on automated decision-making processes, potentially marginalizing human oversight and control.



Photo: digifolio.co.uk

### 3.1 Overreliance:



Photo: Pexels

### 3.1 Overreliance:

3.2 Emotional Attachment: AI chatbots and avatars can be seen as real-life companions. Therefore, raises the possibility of emotional reliance.

Example: Akihiko Kondo smiles next to his hologram wife, Hatsune Miku



Photo: CNN

Can Principled AI truly benefit Filipinos?: Yes, Provided That...

# CAN PRINCIPLED AI TRULY BENEFIT FILIPINOS?:

*Yes, PROVIDED THAT...*

<https://ai-ph.org/devframe>

# AI GOVERNANCE FRAMEWORK RECOMMENDATIONS:

1. Digitization and Infrastructure
2. Workforce Development
3. Regulation
4. Research and Development

# AI GOVERNANCE FRAMEWORK RECOMMENDATIONS:

## 1. Digitization and Infrastructure

- a. Reliable and accessible internet
- b. Support the establishment of National Data Center (NDC) and National Research Cloud (NRC)

# AI GOVERNANCE FRAMEWORK RECOMMENDATIONS:

## 2. Workforce Development

- a. AI in HEIs
- b. Appreciation for STEM, and Data Science Analytics (DSA)
- c. Support retooling/upskilling of government agencies for AI



# AI GOVERNANCE FRAMEWORK RECOMMENDATIONS:

## 3. Regulation

- a. Adoption of Principled AI
- b. Code of Ethics for the use of AI

# AI GOVERNANCE FRAMEWORK RECOMMENDATIONS:

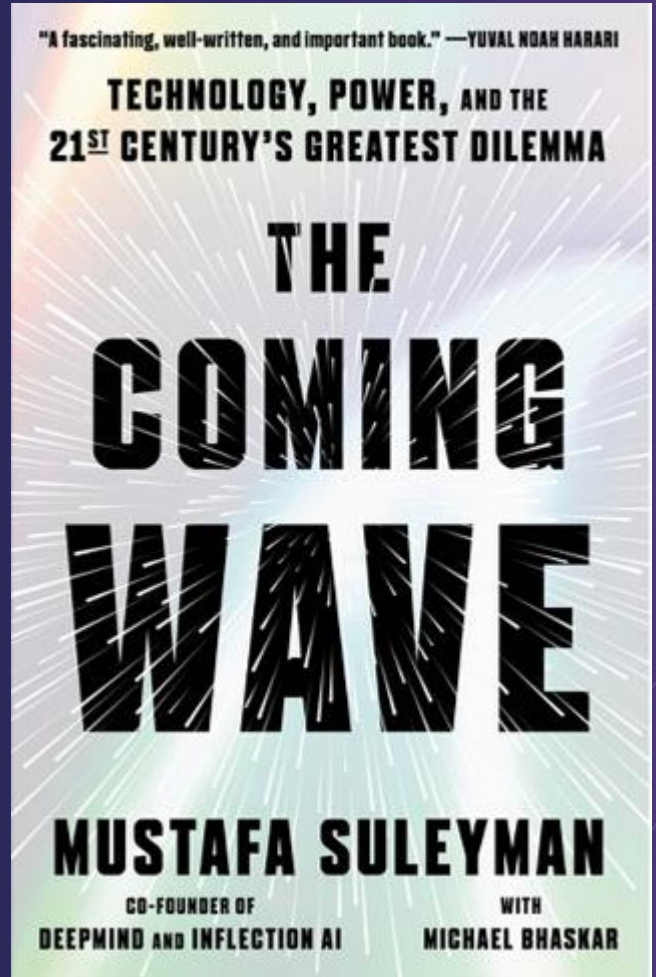
## 4. Research and Development

- a. Support the creation of National Center for AI Research (NCAIR)
- b. Broaden and deepen stakeholder consultations
- c. Use and organize AI governance elements according to sectoral and organizational needs
- d. Recruitment of international talent and collaboration

# Suleyman, The Coming Wave

*Democracies are built on trust*

1. **The people should have trust to the government**
  - a. In turn, the government should allocate the people's taxes on where they should be
  
1. **Investment on science and technology education**
  - a. See also <https://ai-ph.org/devframe>
  
1. **Tax Reform**
  - a. Greater tax on older forms of capital
    - land, property, company shares
    - New tax on automation and autonomous systems
  - a. Capital taxes on largest corporations





**AI IS WHAT WE,  
AS PEOPLE,  
MAKE OF IT.**