

## Steering brief

### **Scene setter**

You will meet [REDACTED] of Microsoft, at his request: he would like to present Microsoft's strategy on AI.

### **Microsoft's work on AI**

The company is heavily investing into AI, ranging from their AI-powered assistant Cortana, Azure – a set of cloud services for developers, to intelligent applications, and AI solutions for businesses.

Peggy Johnson, Executive Vice-President for Business Development, stated in October 2017 that Microsoft sees AI as its biggest opportunities with 18 acquisitions in the AI space over the past few years and about 8,000 staff focused on that area.<sup>1</sup>

Microsoft is also one of the founding partners of the Partnership on AI - an open platform for discussion and engagement about AI and its influences on people and society<sup>2</sup> along with other tech giants such as Amazon, Apple, Google, Facebook and IBM. The platform, set up in 2016, intends to study and formulate best practices on AI technologies and to advance the public's understanding of AI.

Microsoft president Brad Smith and Executive Vice-President of AI and research Harry Shum have co-authored a foreword to Microsoft's recent book on AI called "The Future Computed", claiming that Microsoft is in a position to lead AI research and development, and working to "democratise AI" by sharing what they learn with competitors and the public.<sup>3</sup>

Microsoft argues that the companies and countries that embrace AI will perform best and there must be a consensus on the ethics of AI to enable consumer trust. Further, Microsoft claims that all AI research must be shared among competitors if progress is to reach its full potential.

Microsoft's stated goal is to amplify human ingenuity through AI, while preserving shared societal values and expectations based on the following six principles as the foundation for the development and deployment of AI-powered human-centric solutions:

- Fairness: understanding how bias can affect AI systems.
- Reliability: AI systems must be designed to operate within clear parameters and undergo rigorous testing to ensure that they respond safely to unanticipated situations and do not evolve in ways that are inconsistent with original expectations. People should play a critical role in making decisions about how and when AI systems are deployed.
- Privacy and security: AI systems must comply with privacy laws that regulate data collection, use and storage, and ensure that personal information is used in accordance with privacy standards and protected from theft.

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<sup>1</sup> <https://www.wsj.com/articles/microsoft-focused-on-a-i-investments-1508271903>

<sup>2</sup> <https://www.partnershiponai.org/>

<sup>3</sup> <https://msblob.blob.core.windows.net/ncmedia/2018/01/The-Future-Computed.pdf>

- **Inclusiveness:** AI solutions must address a broad range of human needs and experiences through inclusive design practices that anticipate potential barriers in products or environments that can unintentionally exclude people.
- **Transparency:** providing contextual information about how AI systems operate so that people understand how decisions are made and can more easily identify potential bias, errors and unintended outcomes.
- **Accountability:** People who design and deploy AI systems must be accountable for how their systems operate. Accountability norms for AI should draw on the experience and practices of other areas, such as healthcare and privacy, and be observed both during system design and in an ongoing manner as systems operate in the world.<sup>4</sup>

Microsoft has a specialist unit that looks how to best apply AI to projects in healthcare, environment and education with specific focus on ensuring that the workforce can adapt to the changing economic reality (driven by AI and cloud computing). Microsoft stresses the following aspects:

- **Preparing today's students:** Every young person should have the opportunity to study computer science.
- **Supporting today's workers:** Distance and online learning and investments in on-the-job training programs will be essential, identification of the skills that businesses need via a system of credentials rather than degree-based system.
- **Developing industry standards to protect workers:** Business leaders have an opportunity to play a significant role in reshaping employment policy in the emerging economy by setting their own standards for on-demand engagements that include fair pay and treatment for on-demand workers.

In 2016 Microsoft's chat bot TAY had to be taken down after 24 hours on Twitter when it started echoing racist and misogynist statements the users fed it, highlighting the importance of design inclusivity and ethics in AI based systems.

Microsoft has taken up the **ePrivacy and GDPR** legislation at previous meetings with the European Commission. Microsoft may be sensitive to the regulatory burden and its potential negative impact on the development of AI and development of new products.

Microsoft is a member of the **Grand Coalition for Digital Jobs**.

### **Line to take**

- Microsoft's goal to democratise AI is in line with the European Commission's goal to ensure that software, algorithms, services and data are easily accessible for companies and researchers
- The Commission finds it vital to invest in AI based technology to ensure that European citizens can benefit from a drastically improved quality of life and economic gains derived from this technological development.
- The Commission is preparing a European approach to AI. This strategy will reflect European values and will aim at boosting the competitiveness of EU businesses. It will be adopted with a series of measures to improve the access and re-use of data in the EU (data package).

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<sup>4</sup> [https://msblob.blob.core.windows.net/ncmedia/2018/01/Executive-Summary\\_The-Future-Computed.pdf](https://msblob.blob.core.windows.net/ncmedia/2018/01/Executive-Summary_The-Future-Computed.pdf)

- The initiative aims to strengthen Europe's research and industrial capacity in AI, including the development of an open AI-on-demand platform (at least EUR 50 million of EU funding by 2020) providing researchers, developers and end-users with access to AI software and services. The strategy will also address ethical, legal and socio-economic issues related to artificial intelligence. The Commission is currently reflecting on how to involve stakeholders in a dialogue on AI in Europe (AI Alliance). The European Group on Ethics in Science and Technologies of the Commission will soon issue a statement on AI that could be the basis for a future charter on ethics at European level, and inform discussions at international level.



Personal data