

5 Minutes for Business

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Trustworthy AI: Why the OECD's Recommendation on Artificial Intelligence Matters

Artificial intelligence (AI) has significant potential to solve complex problems in communities and sectors around the world. At the same time, it brings forward numerous risks, like bias in automated decision making, that create challenges for government, businesses, employees and individuals at home and abroad.

At the May 2019 OECD Ministerial, the recommendation of the Council on Al was <u>formally adopted</u>. It is the first international standard for Al policies. OECD recommendations are non-binding but are influential statements that frequently form the basis of international standards and the design of national legislation.

This recommendation is significant for three reasons:

First, since there were a large number of nations with significant expert input, it is likely to be adopted widely. The OECD's recommendations drew from an expert group of more than 50 members from governments, academia, business, civil society, international bodies, the tech community and trade unions to assist in developing the recommendation. All OECD's member countries—including the United States—approved this, alongside non-members Argentina, Brazil, Colombia, Costa Rica, Peru and Romania.

The process also underscores the importance of having Canadian businesses at the table early to influence discussions at international standards-setting bodies before the outcomes are enacted domestically. This OECD Al guidance was influenced by not only the OECD's business advisory group but also from the recommendations from the Business-7 Summit we hosted in 2018.

Second, the recommendation is meaningful for what is contains. It is designed to ensure Al systems are trustworthy and engender confidence in a global framework. The recommendation consists of two equally important parts:

- Principles for responsible stewardship, including commitments to inclusive growth, transparency, security and safety, human-centric values and accountability.
- National policy recommendations, including that governments invest in R&D, foster digital ecosystems, build human capacity, prepare for labour market transitions and promote international cooperation.

The fact that the recommendation is both valuebased and operationally focused makes it both

¹ The recommendation builds off international announcements such as the G7's (lead by Canada and France) creation of an <u>International Panel on Artificial Intelligence</u>, regional intergovernmental efforts such



resilient to the test of time and adaptable across many jurisdictions.

Finally, the recommendation allows the OECD to monitor and compare signatories in their respective development and use of AI as well as support the creation of an AI Policy Observatory to allow countries to share tools and best practices, which is expected to be up and running later this year. Canadian businesses and the burgeoning AI ecosystems across our country will have an important leadership role to play. As Canadian companies explore and adopt AI technology, they can do so in an environment where national and international AI systems are robust, fair and safe.

An early and continued international presence allows us to influence policy at the global level, which in turn builds confidence in our Canadian business community. This is what will allow Canadian AI to thrive both throughout the country and around the world and what is ultimately needed to create the trustworthiness needed for global principles and national policies to succeed.

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