The new politics of AI

Why fast technological change requires bold policy targets

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Overall argument: we need to direct AI towards solving challenges

- AI is different from any other technology we have seen before. New models are:
  - **Smart**. Models achieve top scores in a wide range of graduate level reasoning exams.
  - **Human-like**. In tests, people are no longer able to distinguish whether they are dealing with an AI or a human.
  - **Actors**. With the launch of 'AI agents', they can take actions in virtual environments.
- This requires a new approach towards technology policy that is, not neutral, but **outcomes focused.**

- There is no shortage of utopian predictions of what AI can do (eg "cure cancer"). But we argue that, **currently, AI policy does not direct AI deployment towards solving big societal problems**.

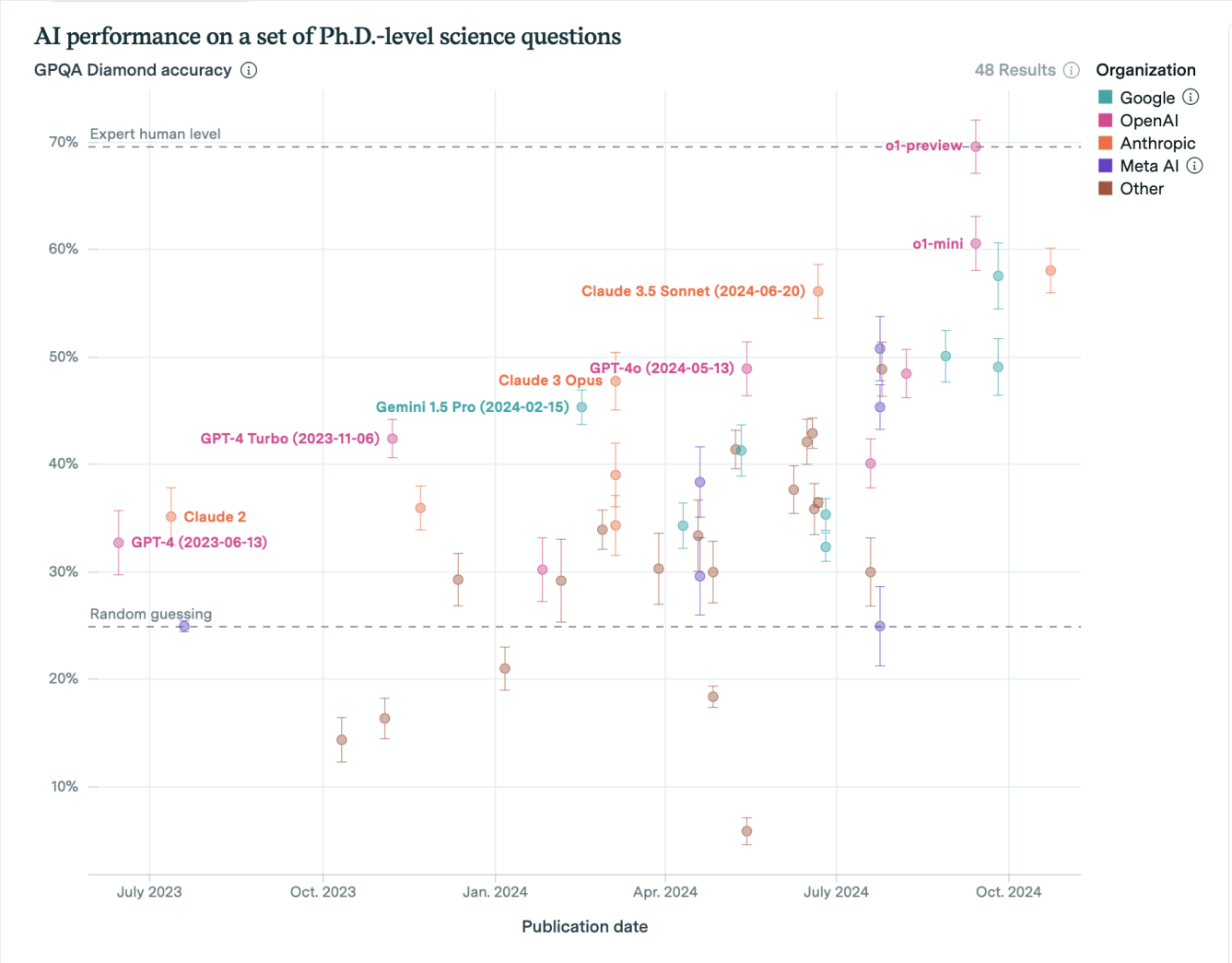
- Current policy focusses on **accelerating** AI deployment and on **safety**. But a crucial pillar is missing: we need to **direct AI deployment *towards* positive outcomes,** and *away* from bad ones.

- **'Mission-based policies' can provide a clear direction for AI deployment**. This involves setting bold targets & breaking them down into very specific problem statements. And then using policy tools (eg innovation subsidies) to encourage businesses to deliver accordingly, towards the public good.

- **The New Politics of AI** will revolve around how we set those missions and the balance between fast deployment and careful deliberation.
- The **Paris AI Action Summit** is a crucial first step towards this. In our new report we outline the status quo and roadmap towards more mission-aligned AI.

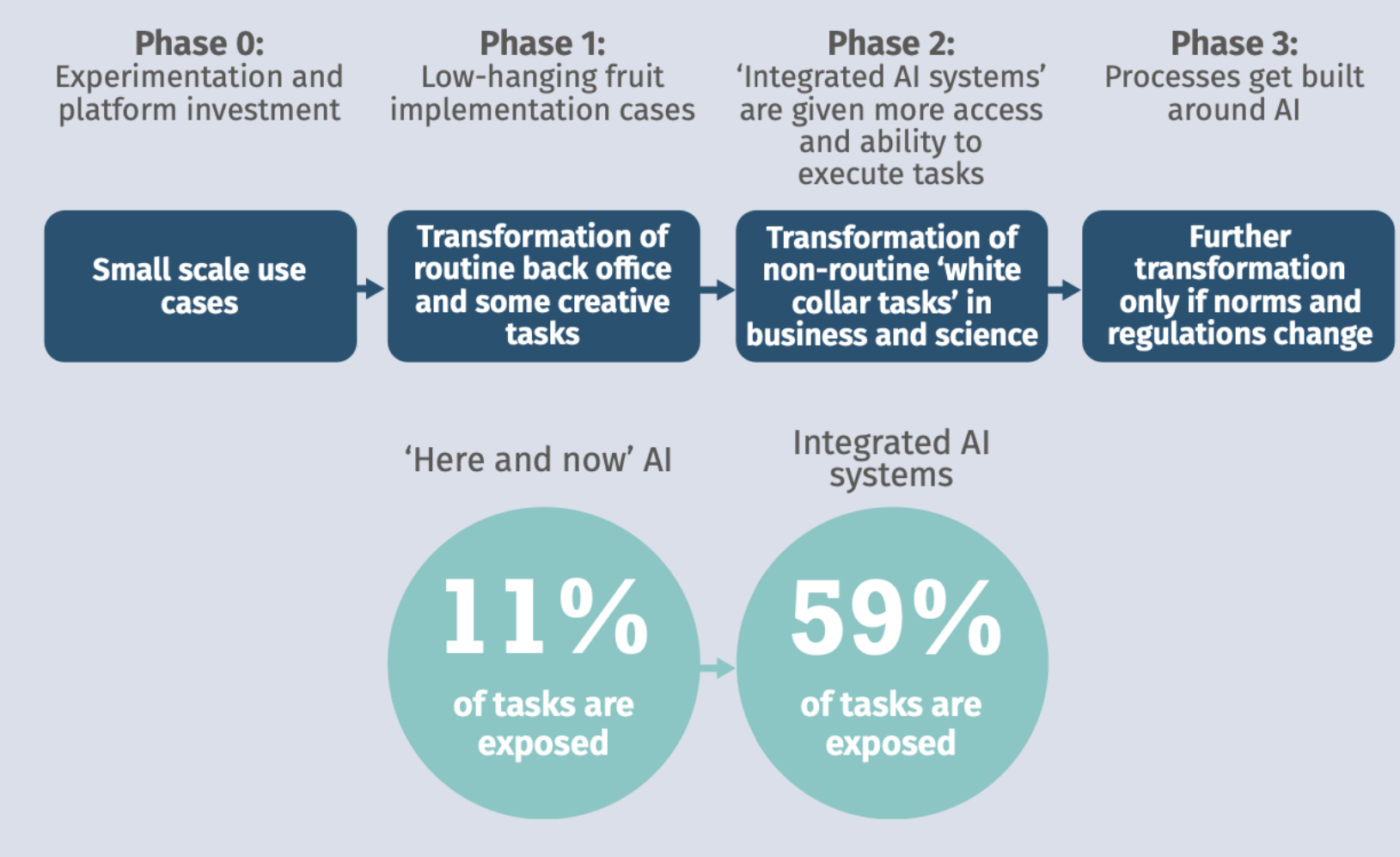
The current moment: AI development has reached a tipping point

- Improvements in AI **capabilities have accelerated,** not slowed down, in 2024.
- **AI models** capable of undergraduate-level reasoning have become much cheaper: **GPT4 costs having fallen 1000 times** in just 18 months
- New reasoning models (such as o1 and Deepseek R1) have **reached expert human level in several PhD level domains**
- **AI agents** have been released and can take action in online environments.



Source: Epoch AI (2025).

We are moving into phase 1 of AI adoption, where about 11 per cent of tasks in the economy could be impacted



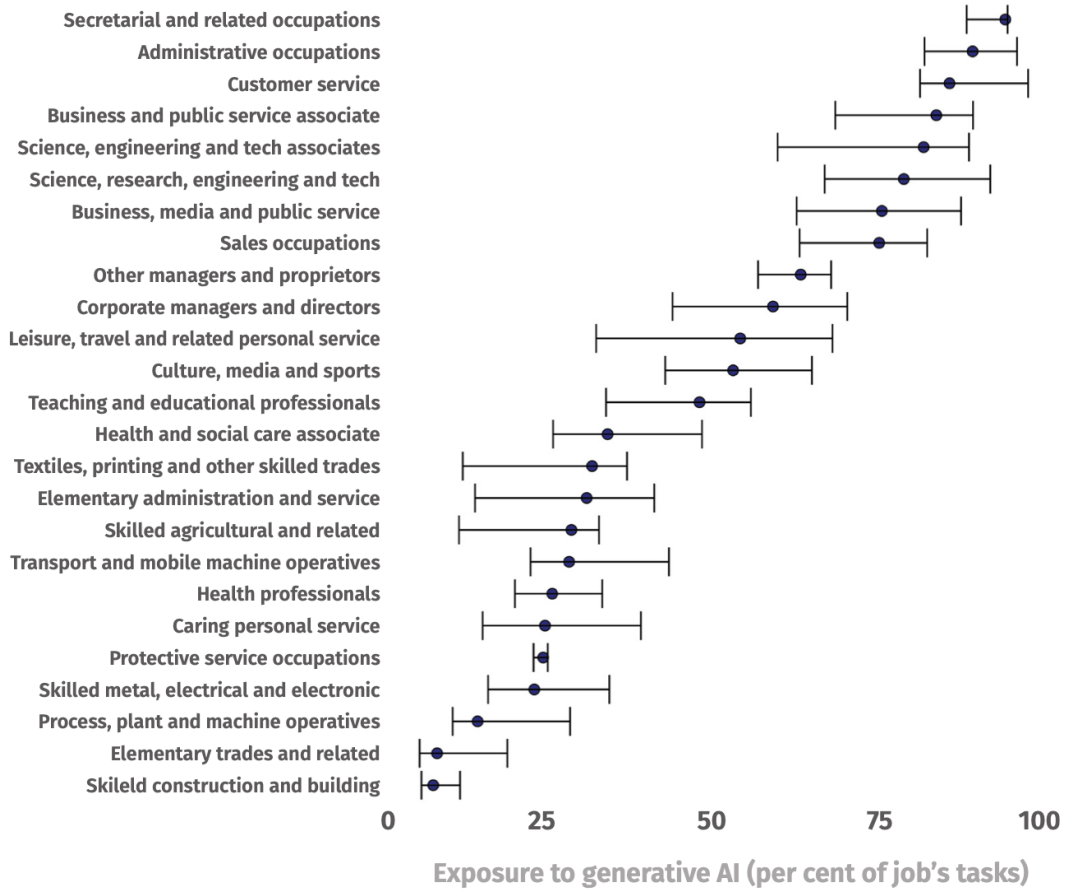
Source: Jung and Srinivasa Desikan (2024).

- 75 per cent of UK tech firms have adopted gen AI as productivity tool. Software developer employment is down.
- Social change: almost a million people in the UK have AI social companions
- Increased use in back office tasks (eg banking)
- Marketing: Automating content creation in marketing
- Entertainment: AI for scriptwriting

Phase 2 of AI deployment could see a wide range of jobs affected

If generative AI gets integrated into business processes, **more than half of occupations** could be highly affected

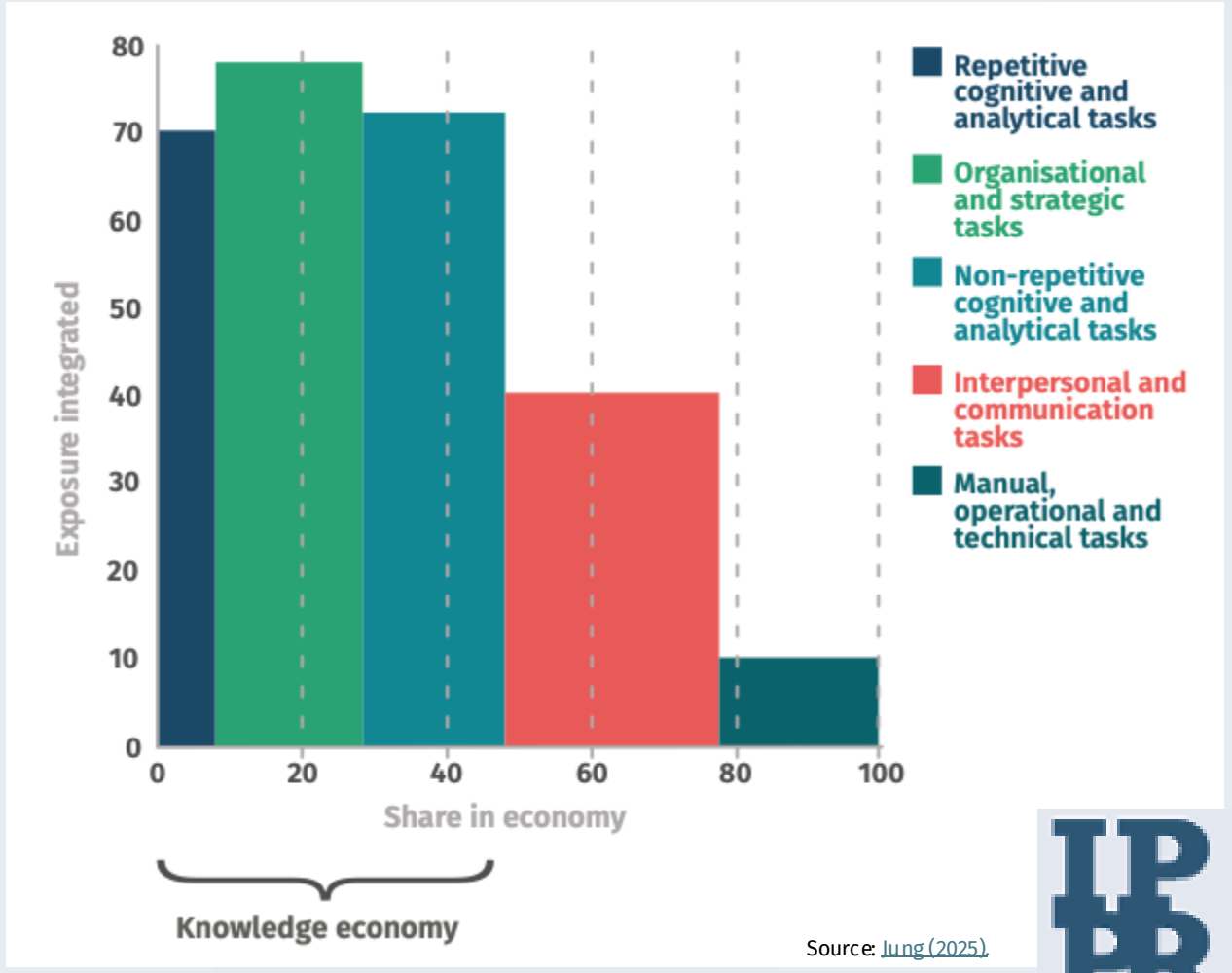
Share of tasks exposed to generative AI, by occupation



Source: IPPR analysis of ONET (2023) and ONS (2023).

Knowledge economy tasks make up about half of labour market activity, and they are most exposed

Share of tasks exposed to generative AI, by type of task



Source: Jung (2025).

The problem: AI policy currently does not steer AI deployment

- The predominant policy approach is to help **accelerate AI deployment**, and contain some clearly specified risk and governance issues
- But this alone will not deliver public value
- **We argue that AI needs to be** directed **towards societies' goals, via 'mission-based policies**
- In other words, we need **'AI directionism'**

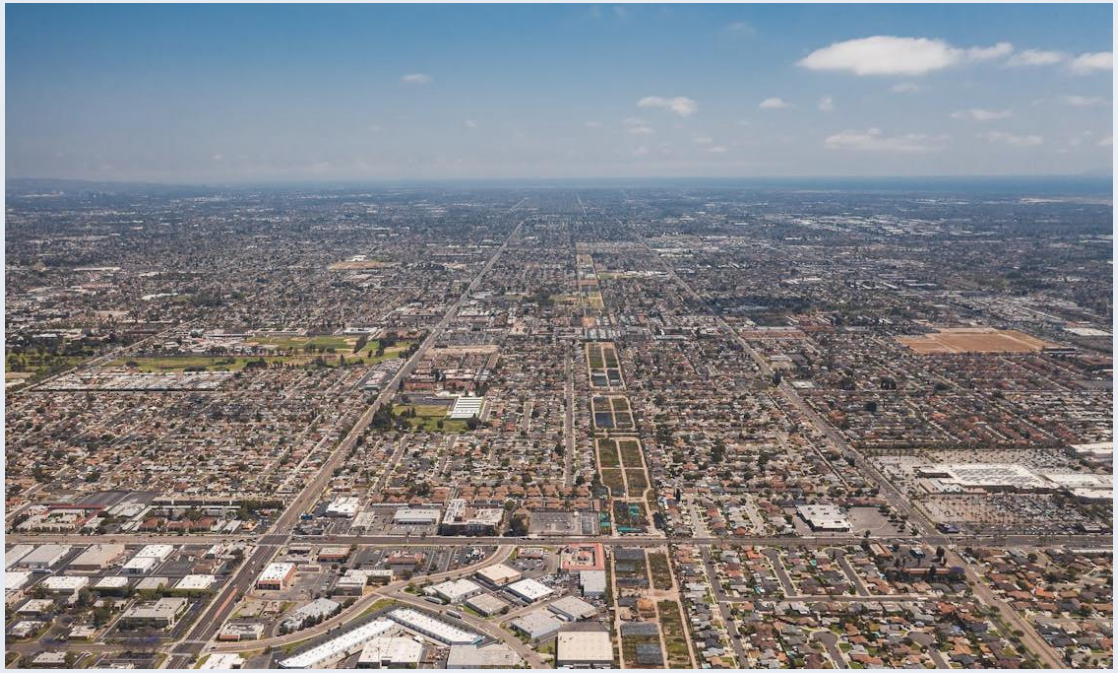
Policy should focus more on shaping the direction of AI innovation, not just acceleration and risk mitigation

	Goal	Policy tools	Examples
Accelerationism	Increase AI deployment, by making it better, easier and cheaper to use	Give businesses and people access to capital, digital infrastructure, talent	UK AI Opportunities Plan, investments in public sector supercomputing capabilities (UK Day One, 2024)
Safety-ism	Avoid clearly identified risks	Safety testing, privacy safeguards, anti-bias assurance	EU AI Act, AI Safety institutes (eg UK, USA, Singapore)
Directionism	'Steer' innovation towards solving important societal problems	Provide incentives to build services and research that explicitly solve societal problems	Outline specific missions and milestones eg in preventative health or climate

Technological transformation without forward-looking policies will cause suboptimal outcomes

- Accommodating the arrival of automobiles in cities in the 20th century brough transformative benefits. But in places like LA, it also has had unforeseen downsides. While there were utopian predictions of the cars' potential, often these were disappointed due to lack of planning for its socio-economic impact.

LA's car-centric urban planning led to more congestion, lower community cohesion, and less quality of life



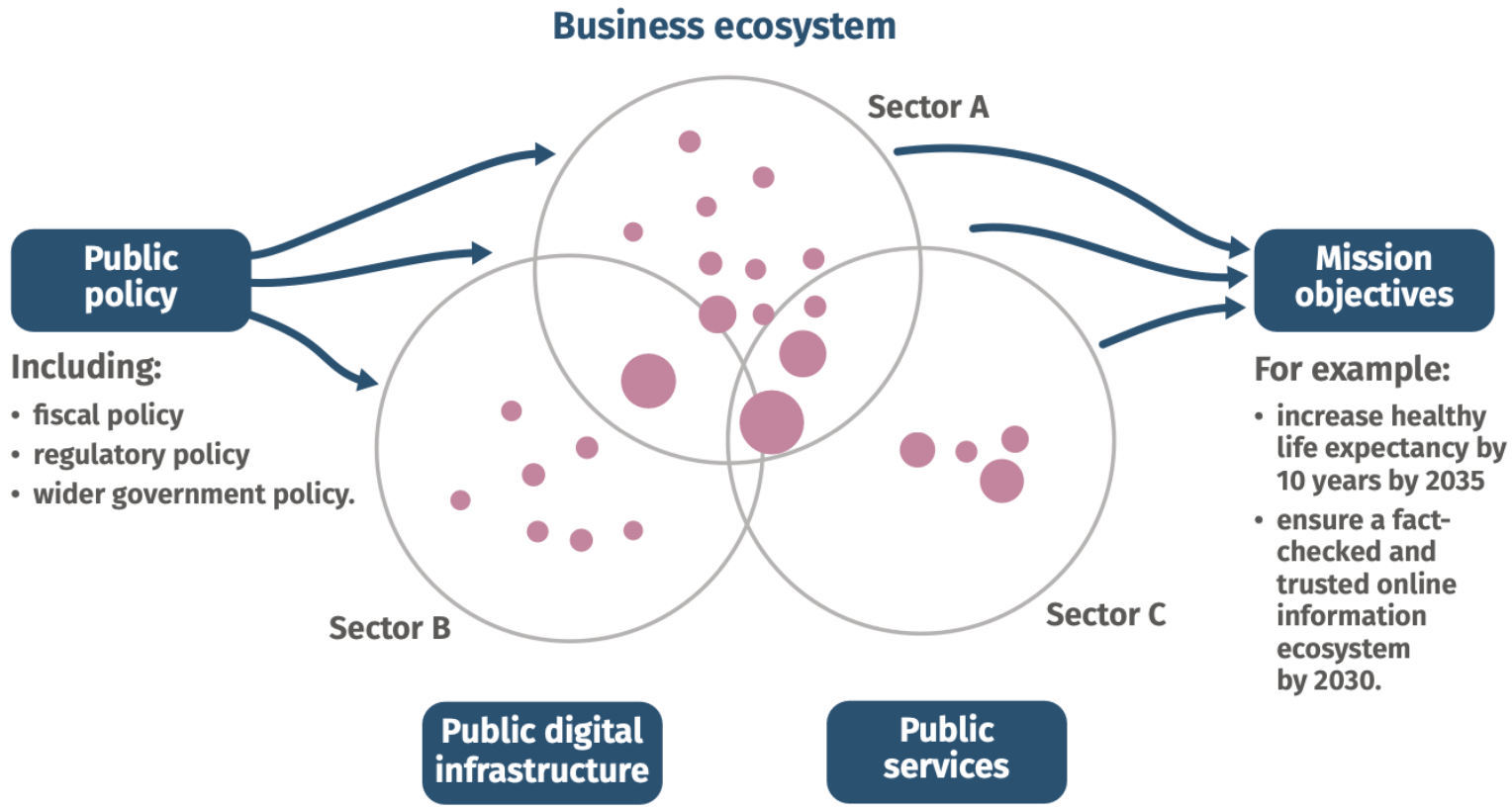
Tokyo's transit-oriented urban planning lead to more walkability, less pollution, higher community cohesion.

Policy makers should set the direction for innovation via missions

Turning missions into policies requires:

- Setting **sectoral targets** for specific societal goals to be achieved
- Breaking them down into **sub-targets and specific problem statements**
- Using a **wide array of policies** to stimulate activity across the ecosystem
- Putting in place institutions that allow for **adaptive learning**

Multiple policy levers are needed to steer the business ecosystem towards delivering missions



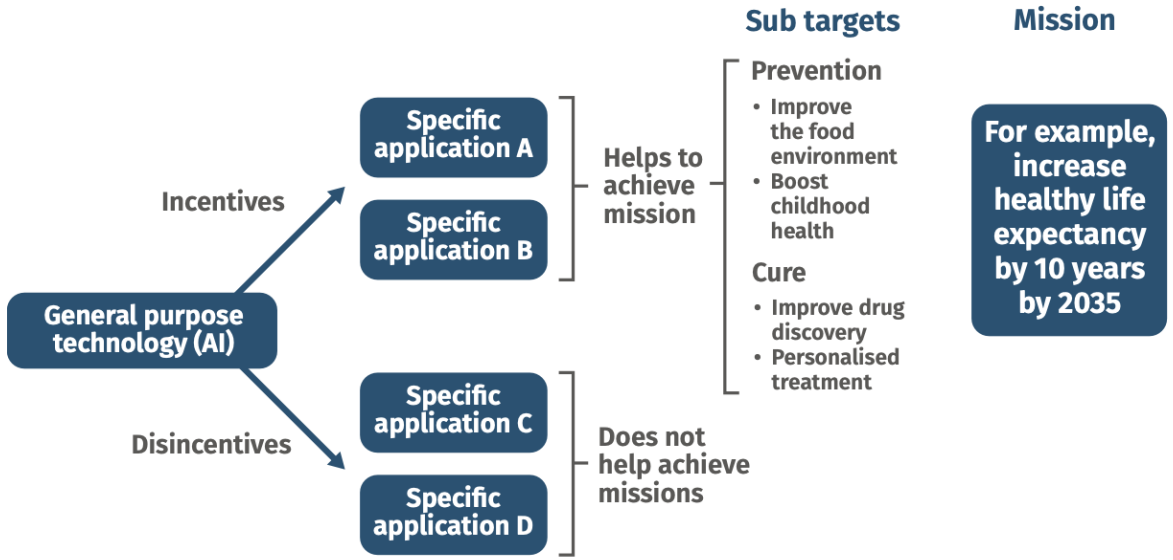
Source: Author's analysis

Policy need to define problem statements for AI deployment to tackle

- Countries already have nascent mission-based approaches – eg the EU's Horizon Europe, the UK's five missions. But they need to be fleshed out further if they are to steer AI adoption.

- **Missions need to broken down into clear sub-targets & progress metrics, with high-level political commitment and centralised oversight.** This is currently largely missing. **For instance:**
  - *Mission*: "Increase healthy life expectancy by 10 years, by 2035"
    - *Sub-target 1*: "Half child obesity by 2035"
      - *Problem statement:* "The food environment provides too few healthy options for children"

'Steering AI', will involve steering it towards certain beneficial applications



Source: Author's analysis

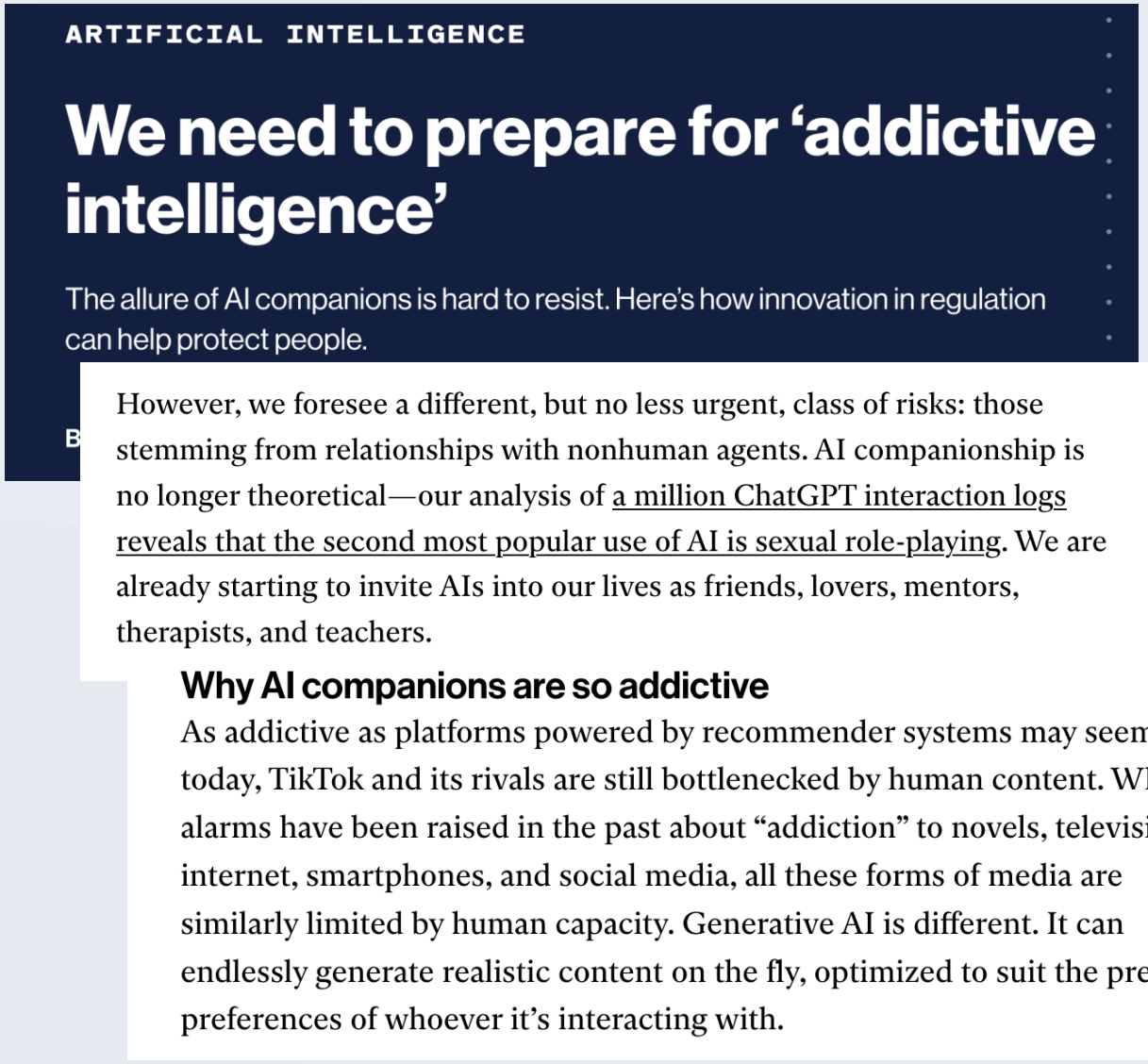
- **Explicitly connect missions with funding and other incentives for AI deployment. Eg:**
  - Connect innovation subsidies directly to problem statement
  - Link access to 'public AI' infrastructure to mission-alignment

Mission-driven AI should focus on areas with clearly defined objectives

In some areas we know what big societal and economic problems are. And we should use policy to steer AI deployment towards solving them.

		Policy direction	Example	Policy approach
A. Steering via existing sector regulation	Less clearly defined social objectives	Limited additional regulation needed to steer AI deployment towards public value.	AI in finance, AI for pharmaceuticals.	Empower existing regulators to see how their applications need to be updated.
B. Setting missions	Clearly defined social objectives	Put in place incentives that align AI deployment with missions.	Increasing health outcomes through prevention .	Identify gaps. Use fiscal and other tools to boost AI depoloyment in these areas.
C. Slowing down, prototyping and iterating	AI is causing significant social change.	AI developments create entirely new sets of issues that need direction, but it might be too soon for policy to know.	Personal AI companions; AI agents on social media; personalised AI news generation.	Setting up reporting and monitoring frameworks, agile policy.

Other areas require a ‘slowing down and iterating’ approach



ARTIFICIAL INTELLIGENCE

We need to prepare for ‘addictive intelligence’

The allure of AI companions is hard to resist. Here’s how innovation in regulation can help protect people.

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However, we foresee a different, but no less urgent, class of risks: those stemming from relationships with nonhuman agents. AI companionship is no longer theoretical—our analysis of a million ChatGPT interaction logs reveals that the second most popular use of AI is sexual role-playing. We are already starting to invite AIs into our lives as friends, lovers, mentors, therapists, and teachers.

Why AI companions are so addictive

As addictive as platforms powered by recommender systems may seem today, TikTok and its rivals are still bottlenecked by human content. While alarms have been raised in the past about “addiction” to novels, television, internet, smartphones, and social media, all these forms of media are similarly limited by human capacity. Generative AI is different. It can endlessly generate realistic content on the fly, optimized to suit the precise preferences of whoever it’s interacting with.

Source: MIT Technology Review (2024).

- In some new areas it is not yet clear towards what objectives to steer AI deployment – eg AI companions.
- To determine how steer AI in such **novel and sensitive areas,** use large scale ‘**sandbox**’ approaches: create set up, where new AI deployments are trialled ‘in the field’, but under under regulatory oversight before full scale roll-out
- It could **work at a bigger scale than traditional sandbox approaches**, engaging real users from the outset, and capturing genuine usage patterns and wider societal impacts.
- It would also address broader questions of human–AI interaction and social values, not just regulatory compliance.
- Ultimately, this could lead to AI design choices that are better aligned with the public good (Mahari and Pentland, 2024).

All this requires a ‘new politics’ of engaging with AI deployment

Opening the ‘black box of AI deployment’ →

Driven by missions, users, democratic engagement →

More market driven →

	Approach	Pros	Cons
1) Monitoring and reporting of how AI is transforming society	Inform citizens about AI deployment applications and cases of interest. Currently poor data availability.	Crucial for keeping civil society informed about deployment	Data intensive
2) Representative democracy	Politicians are clear about the social objectives they want to achieve (with the help of technology)	More legislative time spent on defining missions, and sub-targets in order to improve alignment	Limited bandwidth of the public to engage with specifics of missions
3) Bottom up engagement	Large scale citizen and civil society engagement (polling, assemblies, user feedback) on sensitive AI issues	Especially important for novel, sensitive areas. It’s arguably a broadening of Reinforcement Learning with Human Feedback	Difficulty to prioritise between conflicting goals
4) Iterative deployment with social discussion	Build AI applications and then allow social debate to review and feedback	Allows innovations to go ahead and	Could create unintended harms, once products are built it will be difficult to reverse course
5) Market driven design	Build products within legal framework	Allows for fastest deployment	Does not guarantee mission-alignment
6) Guardrails for military use	Acknowledging the importance of AI for geopolitical competition and secrecy, but clarifying the guardrails around its use	Giving some assurance to citizens on what advanced AI is used for by military institutions	Any guardrails might be seen by some as a geopolitical disadvantage