The New Robber Barons:
The Optimistic Objectivists Overturning the Old Order

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The Wrong Stuff?

You hear a lot today about Artificial Intelligence and Ethics. For good reason. As algorithms get smarter, they are increasingly making decisions that impact on people's lives. And so we need to be careful that these algorithms are fair and transparent. But it's not only the algorithms that concern me.

If Tom Wolfe hadn't died recently, he might be turning his critical pen towards people like Mark Zuckerberg and Travis Kalanick, playfully describing the disruption that their companies bring to our lives on a daily basis.

Just as his iconic novel, "The Bonfire of the Vanities" focused on the financiers whose greed defined the economy of the 1980s, Wolfe might today focus on the behaviour of these entrepreneurs whose technological innovations are overthrowing the old economy, creating entirely new digital marketplaces.

And rather than the greed of the 1980s, ethics might be at the centre of Wolfe's attention today. Not the ethics of the algorithms running these business. For algorithms don't have ethics. Even smart algorithms don't have ethics.

Algorithms are just bits of mathematics. Algorithms do, however, capture the ethics of the people behind them. And there is so much material Wolfe could write about this in 2018.

Wind back the clock nearly two years. In October 2016, the investigative nonprofit newsroom ProPublic discovered that Facebook let advertisers exclude black, Hispanic, and other "ethnic affinities" from seeing adverts.

In the United States, housing and job adverts that exclude people based on race, gender and similar factors are prohibited by the Fair Housing Act of 1968 and the Civil Rights Act of 1964. Facebook admitted this was "a failure" and promised to prevent such discrimination in the future.

Over one year later, in November 2017, ProPublica found that Facebook was still allowing such adverts to be placed. This is not a failure to write ethical algorithms. This is a failure to care.

Give any programmer access to the Facebook code base, and it would take less than an afternoon to remove such functionality from the system. In March 2018, fair housing groups filed a lawsuit in the federal courts to stop Facebook selling discriminative adverts. Perhaps this will be enough to make Facebook care?

Children at risk

It is easy to pick on almost every other large technology company. Take Google for example. In the United States, the Children's Online Privacy Protection Act (COPPA) prohibits operators of websites from collecting any personal information on children without parental consent.

In April 2018, twenty advocacy, consumer and privacy groups filed a complaint to the Federal Trade Commission that Google is violating COPPA by collecting information without parental consent about the location, phone numbers and viewing habits of children watching YouTube videos.

Google's lawyers have responded that YouTube is not intended for children aged less than 13 as its terms of service require users to be over this age. This is just laughing in our faces.

The managers of YouTube know that millions of children are watching its videos. Search for "kids" videos on YouTube and you get over 177 million results. Or go check out the official Sesame Street, National Geographic Kids or Peppa Pig channels on YouTube. These clearly aren't aimed at adults.

Google is using the information it collects on YouTube to sell adverts targeted at children.

Google doesn't want to fix this because they make a lot of money out of having children watch YouTube and collecting information on them.

Incidentally Mark Zuckerberg has gone on record saying that he intends to fight COPPA so he can get kids on Facebook at an earlier age. This is despite the concerns of child development experts about the dangers of exposing children to social media at a young age.

The New Robber Barons

Now this isn't the first time we've faced such problems. In the first Industrial Revolution, some of the first to benefit became known as the "Robber Barons".

And chief amongst the Robber Barons was the industrialist John D. Rockefeller, arguably the wealthiest man ever to live in modern times. Rockefeller was notorious for his unethical and illegal business practices that helped his company, Standard Oil control up to 90 percent of the world"s oil refineries.

The History of the Standard Oil Company, published by Ida Tarbell in 1904, famously described the company's espionage, price wars and courtroom antics that allowed it dominate the oil business. Eventually Standard Oil became so powerful that it had to be broken up into 34 new companies.

To balance the power of corporations, we also introduced institutions like unions, labour laws and the welfare state so that workers would share the benefits that industrialisation brought.

Today, we have a new set of Robber Barons, running digital monopolies and again receiving excessive benefits from the disruption brought about by new technology. History tells us that we will need to regulate their monopolies, perhaps even break them up. In addition, history tells us that we may have to build new institutions to ensure that the new technologies improve the common good.

We may also need to reform the modern corporation – let's not forget that the corporation was also an invention of the first industrial revolution – as well as strengthen worker and digital rights. And finally we may need to change

how we tax corporations and the individual so we share better the benefits.

We did it once. And now it seems, we need to do it a second time,.

Acknowledgments

Toby Walsh is Scientia Professor of Artificial Intelligence at the University of New South Wales, Group Leader at Data61 and Guest Professor at the Technical University of Berlin. He is a strong advocate for limits to ensure AI is used to improve our lives. He has been a leading voice in the discussion about lethal autonomous weapons (aka killer robots) speaking at the UN in New York and Geneva. He is a Fellow of the Australia Academy of Science and of the Association for the Advancement of Artificial Intelligence. He has authored two books on AI for a general audience.