WHY TRADITIONAL ESG DOES NOT WORK FOR AI

Traditional Environmental, Social, and Governance (ESG) rating was forged for the industrial economy with its hazardous working conditions and polluting machines (MSCI 2020). Artificial Intelligence companies do not fit in.

The disconnect is material – cement and smokestacks diverge from pixels and digital exhaust – but the significant divide is human. Standard ESG categories and actions gravitate around *collectives*. Fair trade organizations rally for farmers in developing nations (Mason 2016), unions organize for women's rights on the work floor (Eccles 2018: 16), environmental advocates promote cleaner water for future generations. These social and political movements *unify* activists, which means detailed personal information about specific participants is unnecessary. It is even a distraction because the project is to suppress individual differences in the name a common cause.

Artificial intelligence moves in the other direction: everything starts with personally identifying information. The proposal to *Nudge for Good* (Borenstein and Arkin 2017) models this new reality. Users' memories, vulnerabilities, and urges are gathered within a big data pool and analyzed with predictive algorithms to create micro-targeted solicitations for charitable causes. These messages are crafted for the psychological profile of one identified person, not for group appeal. They are delivered to a specific Facebook user, or voiced by a single household robot, not announced on indiscriminate public media. (Borenstein and Arkin 2017: 501-502). Shoshana Zuboff has described an emergent ecosystem of

data, algorithms, and details of public and private lives. They combine as behavioral futures markets, places where knowledge can be purchased about one person, and where they will be, at what time, in what mood (Zuboff 2019: 8). As for how that information will be used, the question remains open. What is certain, however, is that across the technological and economic spectrum, an inversion is occurring: the human condition is no longer defined by the unifying elements of collectives, but by the individualizing particularities of users.

The inversion explains why privacy concerns have become so pressing in public conversations and corporate meeting rooms (West 2019). It also means that the most tangible socio-economic threats no longer come from outside of ourselves, they are no longer rigid social customs or imposing governmental regulations. Instead, the immediate peril is *our own* dataset, it is the information defining who we are – our habits, tastes, fears, desires and aspirations – that may be engineered to provide gratifying experiences and opportunities, but that can also be twisted to control where we go and what we do.

The paradigmatic theoretical case is predictive policing because of the question it asks: *Is my data innocent or guilty, liberating, or confining?* Will the personal information that has been gathered about me invigorate my life, or restrict it? Whether the AI is stationed in a police station, or on the LinkedIn career platform, or the OKCupid romance site, or at an airport security kiosk, or inside a hospital emergency room, the question is the same.

Because the question about whether AI serves humanity, or humanity serves AI fundamentally asks whether the data and algorithms vitalize or debilitate on the level of single individuals, the first metric for responsible investing will be autonomy: does a technology expand self-determination? The individualizing values of dignity and privacy follow as key performance indicators. Conventional responsible investing metrics will also be included in the evaluation, ones recognizable to ESG investment strategists. But what makes AI humanitarianism different – and what requires a new and distinct model for ethical investors in AI-intensive companies – is evaluation that begins with persons, not people.

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