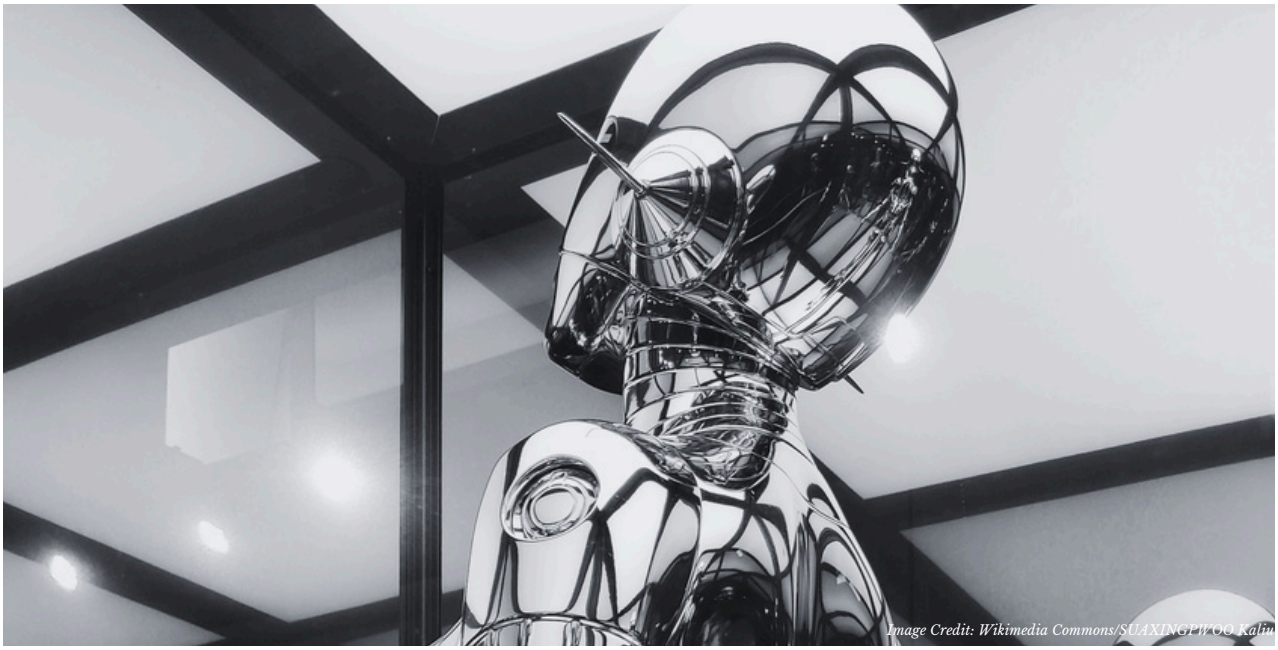


AI Governance in the Age of Big Tech

By Shaleen Khanal

In 2023, the Singapore Government launched the AI Verify Foundation to develop verification tools for testing responsible use of AI. The highly acclaimed initiative has led to the development and launch of AI Verify – an opensource toolkit designed for organizations to test and assess their AI stack. What stood out in the **announcement** was that five of the seven pioneering premier members of the Foundation were large American tech companies, namely IBM, Google, Microsoft, Red Hat and Salesforce (as of today, Amazon is also part of premier members).

The Foundation's case illustrates the growing role of private actors in AI governance. Governance of emerging technologies, particularly those that are considered highly transformative, has traditionally been regarded as a state responsibility. Private entities are expected to lead research, development, and commercialisation, while governments are typically expected to set the rules, standards and institutions that govern them.

AI systems challenge this conventional governance model. Similar to other emerging technologies, AI systems' research and deployment are led by private actors. However, these entities, widely known as Big Tech, are no ordinary companies. They are "Big" because they rank among the world's largest companies, with their market capitalisation exceeding the GDP of some advanced global economies. They also serve billions of users worldwide. This scale gives them unparalleled access to talent, high-quality data, computational power, and perhaps most importantly, capital.

Another crucial distinction to note here is that Big Tech are not merelyAI companies but digital platform companies. Network effects in the platform economy drive these firms toward monopoly and sectoral expansion. As such, we see **Google's presence in health services or Microsoft providing smart farming services**.

Owing to their control over the aforementioned resources that are central to developing AI systems, the same companies dominate the AI ecosystem as well. A few moonshot developers such as OpenAI or Anthropic have emerged, but they operate within the same digital ecosystem and depend heavily on Big Tech.

Therefore, Big Tech are highly influential in shaping AI governance. Understanding the influence of any actors in the governance of AI systems requires examining three questions: who defines the problems that demand attention, which policy tools are chosen to address them, and who has the political influence to shape those choices. Given the abundance of technical, financial and policy tools available at their disposal, Big Tech are shaping all three answers. Big Tech, over time, have played a **crucial role** in shaping the **public imagination and scientific knowledge** of AI systems. Public surveys across the Indo-Pacific suggest that trust in AI is closely tied to trust in Big Tech, underscoring these firms' influence over **the public's perceptions** of the technology. They have also positioned themselves as key suppliers of AI solutions and the digital infrastructure that supports them, leaving governments with few viable alternatives. Their political influence was equally evident in the prominent presence of tech leaders at Donald Trump's inaugural ceremony, underscoring Big Tech's proximity to centres of political power.

The most tangible effect of such overarching influence can be seen in terms of AI ethics washing. Big Tech have been largely successful in persuading the public and governments that self-regulation and technical improvements are the best solution to the majority of social and political challenges that AI systems pose.

It is important not to treat Big Tech as a technological or political monolith with homogenous interests or strategies. Over the past few years, at least two competing yet complementary AI ecosystems have emerged: the American and the Chinese. The American ecosystem's strength lies in frontier models, while the Chinese ecosystem has established a lead in embodied and autonomous AI systems. These technological differences also shape the incentives and material interests of companies within each ecosystem. Frontier models, data, and compute do not need to be localised. They can be built and served from almost anywhere. Most American firms do not face entry barriers globally and therefore do not really "need" Asia. This is not the case for Chinese firms. Technologically, autonomous systems require physical deployment. More importantly, Chinese firms are increasingly being excluded from much of the West. This makes Asia, and Southeast Asia in particular, an important gateway to global

markets. As a result, Chinese firms are likely to pursue deeper engagement with local and national governments in Southeast Asia than their American counterparts that can adopt a more arm's length approach.

Regardless or perhaps because of the differences in technologies, interests and approaches, both ecosystems and subsequently both sets of companies are crucial for the region, economically, and politically. Big Tech companies from both ecosystems are now leveraging the ongoing AI rivalry to position themselves as standard bearers of their respective governments' national AI ambitions. Governing AI in the Indo-Pacific is therefore not simply a matter of understanding technological risks. It also means managing influential, resourceful, and politically astute firms that draw, however informally, on the backing of a great power with its own stake in the outcome.

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