The Economics of Artificial Intelligence in the Developing World Update

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At the end of 2023, the International Finance Corporation (IFC), a member of the World Bank, released a project called MALENA (International Finance Corporation, 2023). This project aims to use AI to create data analysis from Environmental, Social, and Governance (ESG) (International Finance Corporation, 2023) data which allows the IFC to identify potential issues with investments in projects in the developing world. This allows IFC analysts to save time filtering through databases and documents while also providing better data on projects than was previously thought possible. This AI is just a first step for the World Bank to create better projects and investments in the developing world. This project also signifies the intent that the World Bank has to invest in artificial intelligence solutions going into the future.

Many countries have recently put out guidelines towards the development and use of artificial intelligence as AI has been at the forefront of the technological world in recent times. For example in October of 2023, president Biden proposed an executive order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence (The White House, 2023). This serves both as an acknowledgement of both the viability of artificial intelligence to serve the world as well as the potential that AI has to cause harm. The executive order also argues that to create safe AI, a joint societal effort will have to be taken. An important part of this executive order extends responsibility of artificial intelligence to country leadership as a way to guarantee its

global use for good. This order signals that using artificial intelligence for good as a tool is a responsibility for technologically advanced nations.

In addition, the Biden-Harris administration launched an initiative to increase funding for the World Bank in September of 2023 along with a number of other G20 countries (The White House, 2023). The move would encourage the World Bank to invest in more projects like MALENA to create higher value investments that are more beneficial for developing countries. It also allows the World Bank to provide stronger support for developing countries. With increased focus on artificial intelligence solutions to many issues that exist in the developing world, this move would allow the World Bank to more effectively develop technological solutions to data collection and analysis problems like was seen in the MALENA project.

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