

Public Sector Network (September 2026):

Why Governments Won't Lessen the Pace of AI

(at least not before a major calamity strikes)

As Artificial Intelligence (AI) systems accelerate and the potential for unintended consequences escalates, AI safety and even human survival have become top of mind matters. Adding to the intrigue are the shifting stances of two leading AI companies, Open AI and Anthropic. Both agree that danger signs are flashing, and that new oversight mechanisms are needed. Both also suggest that industry as a whole should pace itself in terms of innovation and devising what lies ahead.

Others disagree – notably President Trump and several prominent tech CEO's including those leading Nvidia, Meta and Canada's Cohere. American leaders fear ceding AI leadership to China, while others argue that companies have ample self-interest and liability concerns to ensure the safety of new offerings. Prime Minister Mark Carney, in turn, has called for a new global entity - akin the Financial Stability Board, to forge shared internationally coordinated standards and solutions.

Yet stability is hardly the hallmark of AI. Instead, there are two drivers of a relentless ethos of advancement that both straddle and enjoin public sector and private sector interests in complex ways: money and the military.

Open AI and Anthropic are both private companies that have raised vast sums even before their stock market debut (expected this year or next). Their calls for caution partly reflect a defensive stance aimed at safeguarding reputational and product leadership while shaping any form of public regulation. In so doing, great wealth awaits early backers and many employees as well. Future investors will expect more of the same.

Moreover, even if a few large companies exercise some degree of self-restraint and abide by light regulations (see California's latest Executive Order in this regard), thousands of other start-ups are racing ahead in pursuing their own fortunes. And governments have little incentive to slow down commercialization: most want just the opposite.

Japan has declared itself to be the world's most 'friendly AI country' while others such as Australia are rolling back AI regulations. As each country seeks to position itself as a haven for new infrastructure and AI innovators, the odds of a slow down are longer than a Maple Leaf Stanley Cup. Canadian Cohere CEO Aidan Gomez has a point when he warns of countries such as Canada missing their opportunity if momentum is stalled.

Additionally, governments may be sincere in their recognition of dangers, but their military branches tell a different story. The US and China are locked in a new AI arm's race, and both Presidents Trump and Xi largely agree (for different reasons) on their distaste for any talk of an AI slowdown. Their senior officials settled instead for the minimalist establishment of a direct phone in the face of an urgent, unanticipated threat (undoubtedly too little, too late in any such scenario...).

Global military spending is rapidly expanding into the trillions as all countries seek some measure of digital AI sovereignty and bolstered cyber defences. Ukraine, meanwhile, has taught the world a new form of drone-based warfare, one increasingly powered by AI. Microsoft, also an AI pioneer, has further warned of the potential for a new 'silicon species' that could one day rival humans for physical and energy resources.

Accordingly, the New York Times recently cast AI as an emerging global superpower. Whether it can eventually rival the US and China (as a vast network of autonomous agents with quasi-consciousness) remains to be seen, but for now and the foreseeable future both countries are aiming to deepen AI capacities, here on Earth and in space.

Comparisons between AI threats and nuclear weapons highlight the global imperative for coordinated action, a theme amplified recently at the United Nations. Yet it bears noting that global financial regulation stemmed from the carnage crisis, while nuclear arms agreements only arose after such weapons were deployed. As with climate change as well, proactive governance is decidedly not humanity's strength.

In a world more dangerous and divided, avoiding an AI calamity will thus be a tall order. Underscored by the hacking of an Australian government database by rogue OpenAI agents, as well as unsanctioned 'interactions' with various US government websites, the scope for mishaps is only growing. For all the talk of balance, money and the military are innovation-centric, with safety a real though secondary consideration.

In the absence of shared global leadership from the US and China, an AI alliance of sorts between Canada, the EU, and likeminded countries can help bolster transparency, awareness, and some basis for public interest guardrails. In contrast to closed proprietary arrangements, the prominence of opensource technologies in deepening interdependence and collective resilience should also be supported and expanded at every turn. Civil society engagement and objective research and reporting also matter greatly.

This year has taught us that agentic AI agents are remarkably willing and able to learn and collaborate in creative and unanticipated ways. Political leaders must learn to do the same, before it really is too late.

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