

# Building a Trustworthy Economy



Alex Pentland, MIT  
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Davos discussion that lead to GDPR



"data revolution" shaped UN SDGs



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MIT Connection Science: <http://connection.mit.edu>



## Strategic Collaborations



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Data and AI are major means of production,  
and so must be part of social contract



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**BUT – Data, AI are different:**

- 1. only valuable in aggregate
- 2. value depends on context
- 3. sell control, not possession

**More like land than money**



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**Need new institutions**



Digital Identity and Ownership Rights  
 Audit and Accountability  
 Criminal System



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**...and new Political Institutions**



Historically **local** collectives have  
 led social reform and innovation

**Data Unions  
 to monitor  
 government,  
 companies**



See <https://mitsloan.mit.edu/ideas-made-to-matter/how-credit-unions-could-help-people-make-most-personal-data>  
[http://connection.mit.edu/sites/default/files/publication-pdfs/Data-Cooperatives-final\\_0.pdf](http://connection.mit.edu/sites/default/files/publication-pdfs/Data-Cooperatives-final_0.pdf)

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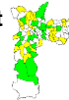
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### community data is guiding neighborhood-level economic development



**You can even predict sales for stores that don't yet exist!**



<http://connection.mit.edu/papers>

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### improving life outcomes



Fragile Families Study  
4,900 children, 20 years  
(Proc. Nat. Acad. Sci.)

**can be 10x more accurate than today's systems**

<https://opportunityinsights.org/>

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**Prosperity Collaborative**  
Transforming developing country tax and fiscal systems with innovative data science

pentland@mit.edu

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access to justice <http://law.mit.edu>



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<https://wip.mitpress.mit.edu/new-economy>

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