Global Fellowship Program on AI & Market Power

Call for Applications

The European AI & Society Fund is pleased to invite applications for the Global Fellowship Programme on AI & Market Power. The fellowships will be administered by the Institute of International Education and are supported by the Open Society Foundations.

May 2024

Purpose

The AI & Market Power Fellowship Programme will support investigative research and critical analysis into the political economy of large-scale AI systems, including General-Purpose AI (GPAI) and foundation models, and aims to sharpen our collective understanding of market concentration in the AI ecosystem.

Fellows will study so-called partnerships across the AI supply chain, get clarity on the emerging business models, expose new dependencies and effects of concentrated market power, and critically assess approaches presented as challenging concentration such as "open source" models and industrial policy interventions. The European AI & Society Fund will create opportunities for fellows to collaborate and learn from one another and the wider AI and society ecosystem, as well as support the dissemination of their outcomes.

The ambition is for the fellows' investigations and research to inform the work of regulators including competition authorities, legislators, start-ups and other impacted businesses as they contend with market power dynamics in the complex ecosystem of large-scale AI. While this call for applications is issued by the European AI & Society Fund, we recognise that the nature of both the industry and the policy responses is global and invite proposals from all geographies.

Key information

Eligibility
The Fellowship Programme welcomes applications from all countries and regions, with the exception of those subject to US sanctions. We seek to award fellowships to applicants with a broad diversity of skills, expertise and backgrounds. We particularly encourage applications from people with journalistic experience, with strong investigative skills including OSINT, as well as fluency in market and technical research. The Programme will award fellowships to individual investigators/researchers or interdisciplinary teams of up to 3 investigators/researchers with complementary skills. The individuals can be hosted by an institution or be independent actors.

Available funding
The total budget for the fellowships is $500,000. Individuals / teams can apply for a maximum of $70,000. In exceptional circumstances, we will consider larger amounts.

Timeline

Applications must be received by 8 July 2024 23:59 CET. All applicants will be informed of the outcomes of the selection process no later than 16 September 2024. Details of how to apply are at the end of this document.

Fellows are expected to begin their work no later than 7 December 2024. They should complete their work no later than 31 December 2025.

Motivation

Since the release of ChatGPT in late 2022, there has been a global push to invest in and build AI on an increasingly large scale. In this paradigm of large-scale AI, all roads lead to a small number of the largest technology companies. They have access to the resources these systems are dependent on, from the vast datasets used to train the large-scale models, to the computational power needed to process the data, to the expertise needed to build these systems. Thanks to these firms' powerful position in more traditional digital markets and their first-mover advantage in AI, they are poised to occupy an even more powerful role in the digital infrastructure of the future. As is now well documented, concentrated markets (including in technology) can negatively impact consumer choice, economic opportunity, innovation and democracy. In order to shape AI to better serve people and society, it's important to more deeply understand the market power dynamics in the current AI ecosystem and create a strong evidence base to design interventions in the public interest.

Terminology

A number of terms are currently used to denote large-scale AI systems. While the United States' Executive Order uses the term 'foundation models', the European Union's AI Act refers to 'general purpose AI models'. We recognise that there is no one agreed upon term. This Fellowship Program is concerned with large-scale AI systems that are fast becoming the next infrastructural layer to mediate our lives, and acknowledges that this infrastructural power has been built out over the past two decades.

Work streams

Fellows will carry out investigative research and critical analysis on one or more of the following topics:

Nature of the partnerships between firms developing large-scale AI and infrastructure actors: A slew of partnerships and non-controlling investments – from Microsoft/OpenAI, Microsoft/MistralAI to Google/Anthropic and Nvidia's multiple deals with powerful tech firms – make it clear that there are a number of ways for companies to continue to consolidate their already powerful position in the market of large-scale AI without triggering formal merger reviews by competition authorities. Yet, these partnerships, notably focused on chips, cloud infrastructure, and access to cutting edge models, are crucial to understand as they create chokepoints across the AI supply chain, and will have a lasting impact on how the market for these systems grows and evolves. While several competition authorities have launched investigations into these partnerships, authorities will be able to publish limited details about their findings. Using innovative investigative and other research methods, fellows will aim to understand the nature and extent of partnerships and non-controlling investments between private actors within the supply chain of large-scale AI, and their impact on market

competition over the medium and long term. Fellows can use their research to establish key categories or types of partnerships to create more durable frameworks of analysis for an extremely fast-moving sector.

Business models of providers of large-scale AI systems: While current mainstream attention seems to focus largely on products built from models such as ChatGPT, these are not the likely endgame for incumbent technology firms developing large-scale AI. It is important to understand how these firms intend to recuperate their staggeringly large investments, and equally, to understand the role and path to profitability of downstream actors. For example, OpenAI's release of an app marketplace is an indicator that it intends to offer a product and operate a marketplace in which to compete with other companies. Google and Anthropic have both recently announced their plans to offer AI-powered personal assistants, and there are deals already in place to integrate such AI systems into the app stores, operating systems, browsers, search engines of the largest technology firms. In this stream, fellows will use research methods, including tracking venture capital funding, patent reviews, earning calls, public contracts and others, to understand current investments, projections about how and where large profits are expected to be made over the mid-term including from governments, and how power might converge and be cemented as a result of it.

Impacts of concentration and abuse of market power by incumbent firms on third-party application developers and business deployers: Large-scale AI systems can be "fine-tuned" or adapted to a plethora of downstream tasks, making their potential use particularly attractive across many sectors of the economy. Large tech firms with first-mover advantage will likely leverage their relationships with AI start-ups but also existing businesses such as publishers and media outlets, and utilise downstream applications to maximise access and exclusivity. In this stream, fellows will investigate dependencies between incumbent AI firms and their business customers and identify where abuses of market power may be happening, what forms such exploitative and exclusionary abuse may be taking - unfair contracts, restricted access to key inputs, discriminatory access to downstream products – and what the impacts of such conduct are. This also includes understanding specifics of how the advantage of incumbent big tech firms, and their direct access to the consumer across many services through their platforms, creates additional forms of dependencies for firms seeking paths to monetization.

Exploring avenues for challenging market power: Different approaches are being put forward as counterweights to a concentrated AI market. For example, a 'fully open' release makes full details of a large language model available, maximising transparency and the opportunity for third-party assessment and development, reducing entry barriers. But there are concerns of "open washing", and the use of terms from "open source" software which do not apply nearly so well to AI models. Similarly, industrial policy is being touted as a route to creating more open infrastructure, meaningful competition, and reducing dependencies along the AI supply chain. Yet, there is the risk that the largest technology companies remain the central beneficiaries of public investment. Moreover, what are the kinds of innovation being pursued by these government-supported initiatives, and do they present an alternative to the industry-led "bigger-is-better" paradigm. Fellows will critically assess existing evidence — for example, digging into the actual beneficiaries of these public strategies, and the innovation trajectories they encourage — in order to better understand the nature and value of these approaches.

How to apply

Applications should be submitted by 8 July 2024 23:59 CET to fellowships@europeanaifund.org. Fellows will be informed of the selection panel's decision by 16 September 2024. Fellows will be informed of the selection panel's decision by 16 September 2024.

Prospective fellows should submit the correct Application Form with 500-1000 word proposal, a professional biography, budget, and timeline for completion with key deliverables and milestones. The proposal should seek to answer the following questions:

1. Description of the problem
2. Questions you hope to answer
3. Methodology you will use: This section should clarify what primary evidence the fellow will draw on, and what methods will be used to acquire them.
4. Impact plan
   o Key results you hope your research will achieve: Please specify the *key stakeholders you are targeting* with your research, the *actions by those stakeholders* you hope your research will result in, and the *format of your outputs* (presentation deck, a key visual graphic/graph, a two-page policy memo, etc).
   o How these results will address the problem named above
   o Timeline with deliverables and milestones
5. Budget: The budget can include a stipend to cover livelihood, access to materials, travel, publication and event costs.
6. A short professional biography with key publications

Applicants' personal information will be processed according to the Privacy Policy of the Network of European Foundations, the host of the European AI & Society Fund.

How we will assess your application

Proposals will be reviewed in the first instance by the European AI & Society Fund team. Their selection will be shared with an expert panel for further review. The panellists are:

- Vera Franz, independent tech justice expert
- Andrew Strait, Ada Lovelace Institute
- Erin Simpson, Ford Foundation
- Udbhav Tiwari, Mozilla
- Philip Marsden, Bank of England

We will consider proposals against the following criteria:

- The applicant has clearly identified the problem they wish to address and has defined specific questions they wish to answer
- The proposed methodology is appropriate to the research focus and can be practically implemented within the time and resource available
- There is a clearly defined audience for the work and a feasible plan to reach that audience
- The applicant has relevant experience and expertise to execute the proposed work
- The proposed budget is proportionate to the work required

Additional selection criteria:

In order to ensure that we create a community of fellows that can address a range of issues from a number of perspectives we will apply additional criteria to our selection.

- The fellows as a cohort represent a diversity of relevant expertise and geographies
- The fellows as a cohort cover all four streams of work the fellowship wishes to address

Selected proposals will be subject to final review by the Institute of International Education, which is administering the grants.