What Can Computers and Artificial Intelligence Do Regarding Planning?

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Economic Impact

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Predicting What Cannot Be Controlled

Artificial intelligence algorithms operate in a “belief space” that models what will be done outside the scope of what the operators of the system can control. For example, in recommending traffic

In a computerized planning system, there is no place for common sense to be used at the moment of decision; all things must be decided in advance. For firms that have limited economic scope, this may not be a problem. For governments, whether urban or national, this can be a major problem, especially because of their coercive power.

Incentive Problems

Aside from the incentives of participants to create misinformation, planners and programmers have incentives of their own. Few if any people are always satisfied with what governments do, yet many still place great faith in government to solve problems. Human firm managers make mistakes, despite having a powerful profit motive. Both public servants and firm managers are self-interested and some of them have ulterior motives. AI can help improve efficiency, but it does not solve all the problems that impede governments and firms in economic planning. It also does not solve the problem of self-interested government officials, firm managers, and employees.